

THE Hongkong Weekly Press

AND

China Overland Trade Report.

VOL. LXVII.]

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BIRTHS.

On January 28th, at Manchester, the wife of Lieutenant H. MORLAND, Royal Indian Marine, of a son.

On February 9th, at Weihaiwei, the wife of J. A. W. LOUREIRO, of a son (stillborn).

On February 15th, at Shanghai, the wife of R. J. BOWERMAN, of a daughter.

On February 17th, at Shanghai, the wife of F. H. CROSSLEY, of a daughter.

On February 17th, at Shanghai, the wife of H. SPATHE, of a son.

MARRIAGES.

On February 16th, at Shanghai, Rev. ERNEST FRANK SMITH, of the Baptist Missionary Society, Sianfu, Shensi, to MARY ELIZABETH BORSCH.

On February 16th, at Shanghai, ERBERT STANLEY JENKINS, M.D., F.R.C.S., of the English Baptist Mission, Sianfu, Shensi, North-China, to M. I. (DAISY) LOVERIDGE, late of Wu Cheng, Kiangsi.

On February 17th, at Shanghai, Miss SARAH NICOLL WOODWARD, to the Rev. CAMERON FARQUHAR McRAE.

On February 18th, at Shanghai, Captain EDWIN L. MONKMAN, C. N. Co.'s steamer *Tientsin*, to MARY (JANIE) BAIN, eldest daughter of J. B. Roach, Electricity Works, Shanghai.

DEATHS.

On February 9th, at Hankow, ARTHUR PAUL, only son Mr. and Mrs. Paul de Hees, aged 6 years.

On February 16th, at Shanghai, SEVERINA MARIA OZORIO, widow of the late Francisco A. Ozorio of Hongkong, aged 52 years.

On February 17th, at Shanghai, ERNEST DE BAVIER, aged 62 years.

On February 20th, at Shanghai, EMIL HIRSCH EDLER VON STRONSTORFF, Consul-General for Austria-Hungary, aged 46 years.

Hongkong Weekly Press.

HONGKONG OFFICE: 10A, DES VŒUX ROAD C.L.
LONDON OFFICE: 131, FLEET STREET, E.C.

ARRIVAL OF MAIL.

The French Mail of 31st January arrived, per the s.s. *Polynesien*, to-day.

FAR EASTERN NEWS.

Customers of the Hongkong Electric Co., Ltd. will note with satisfaction the announcement of a reduction in the price of current from 35 cents to 30 cents per Board of Trade unit.

Dr. Sun Yat-sen is known to be staying in Annam, and there are grave suspicions that from this centre he is very active in stirring up the discontented Chinese against the ruling Government.

A dastardly affair was reported to the police the other day. An Indian watchman was attacked in Queen's Road near the military staff offices by two Chinese, one of whom threw pepper in his eyes while the other used a combination axe and hammer. The alarm was raised and one of the assailants, who proved to be an ex-policeman was arrested. The other man is still at large.

A number of coolies made an unlucky find at Lammer's sale room in Duddell Street the other day. They picked up a packet which proved to be rat poison biscuits. However, they were not aware of the deadly nature of the contents, but believing the biscuits to be good chow, they partook of them, with the result that four of their number had to be taken to the Alice Memorial Hospital. Three of them recovered but one died on Wednesday. The police are making inquiries into the matter.

At Government House last week His Excellency the Governor and Lady Lugard entertained the following guests at an official dinner: Dr. Koch, Mr. Lewis Rees, Mr. J. H. Kemp, Mr. and Mrs. Cooke, Mr. W. H. and Mrs. Williams, Major and Mrs. Macdonald, Major and Mrs. Hatch, Mr. G. Frieland, Mr. and Mrs. A. J. David, Mr. and Mrs. Andrew Forbes, Mr. and Mrs. Craddock, Mr. and Mrs. Graham, Mr. and Mrs. Montagu Ede, Mr. Murray Stewart, the Hon. Mr. F. H. May, Miss Battie, Rev. and Miss Stewart, Mr. Beckwith, Dr. and Mrs. Montagu Harston, Mr. G. H. Madharet, Mr. and Mrs. F. Maitland, Capt. and Mrs. Charles Low.

On February 25th the transport *Hardinge* arrived in port, bringing the 13th Rajputa. The vessel was visited by Captain Mitchell-Taylor, A.D.C., who welcomed the regiment on behalf of the Governor. The details were Major G. M. Evans, Major G. Walting, 16th Rajputa, attached 13th, with wife, Captain B. A. Corbett, Lieutenant T. A. Davis, 8th Rajputa, attached 13th, Lieutenant G. Bunbury, Lieutenant E. Marsh, second Lieutenant N. Falkland, Lieutenant W. A. Mearns, L. M. S., Bandmaster, C. T. Coke, wife and two children, one sub-Major, six Subadars, nine Jemadars, two hospital assistants, 783 rank and file, 79 public followers, nine private followers, and four chargers.

The "Universal Gazette" publishes a telegram from Canton to the effect that Viceroy Chang Jön-chun has contracted with a foreign firm in that port for the purchase of a large quantity of arms and machine guns for the use of the troops of the two Kwang provinces.

On February 27th, about half past nine, Mr. K. D. Gasdar met with an alarming accident in Queen's Road Central, fortunately without the serious results that might have been expected. A big Chinese sign-board fell as he was passing the shop over which it hung, and crashed upon his head. He was wearing the peculiar headgear that the Parsees call *feta*, and this sufficed to interrupt the severity of the impact. The hat was practically cut into two, and the board then struck Mr. Gasdar's head and he fell. Naturally, the victim is now feeling concerned over the danger to the public of these swinging boards, and would be glad to see something done to reduce the risk that the public incurs every day in walking beneath them.

At the Magistracy on Feb. 26th Mr. H. H. J. Gompertz heard a case in which a Chinaman was charged with stealing an Indian constable's watch and with assaulting another Indian, but witnesses proved a different story to that told by the policemen. It appears that the Chinaman was carrying a bag of rice which accidentally touched one of the Indians who refused to move out of the native's way. The policeman then assaulted the man and gave him a severe thrashing. When the latter moved away in order to go to the Police Station to report the matter, the policeman put the handcuffs on him and took him to the Station on a charge of stealing a watch. His Worship dismissed the summons against the defendant, and fined the constables \$25 each.

KULANGSU (AMOY) MUNICIPAL COUNCIL.

Minutes of a meeting of the Council, held at the Board Room, on the 11th February 1908.

Present:—Messrs. W. H. WALLACE, (Chairman), C. A. V. Bowra, A. F. Gardiner, W. Kruse, Huang Ts'an-chew, S. Okuyama, N. Wilson, the Health Officer and the Secretary.

1 The minutes of the last meeting are read, and confirmed.

2 A letter is read from the British Consul informing the Council that he has been in correspondence with H.B.M.'s Surveyor of Works, Shanghai, on the subject of handing over a wall from the Consulate to the Council for the use of the public, and that he is prepared to hand over the wall in question, it being a condition that the Council bind themselves to keep the wall in good repair and always permit the residents of the British Consulate compound and of the Foundling Institution to have free access to it.

3 The Superintendent of Police reports the following cases have been dealt with at the Mixed Court since the last meeting:—

SUMMONSES.

Assault 2, Allowing pigs to stray 2.

(Signed) W. H. WALLACE,
Chairman.

By order,

C. BERKELEY MITCHELL,
Secretary.

JAP N AND CHINA.

(Daily Press, February 22nd.)

Probably when Japan sent a few soldiers across the river Tumen to take possession of an unconsidered trifle in the shape of the Hien-tso, or "unoccupied march," which by old consent had lain between China and Korea, she little foresaw that she was raising the one point which was likely to bring her in contact with one of the most complicated and dangerous principles of international law. The incident has a particular interest at the present day, because an almost identical claim some twenty-two centuries ago set in motion a train of circumstances, which for centuries had important effects on the history of the world. About the year 209 B.C. there arose amongst the early Turks one of those commanding figures who have left a permanent mark on history; his name was according to Chinese pronunciation Maotun, probably it was pronounced Moghul. Moghul's father after his birth had remarried, and his eldest son by the new connection was his favourite, and he desired he should succeed to the exclusion of Moghur. He sent Moghur on a pretended mission to his savage neighbours, but at the same time suggested that his death would not be unacceptable. Moghur had warning of the plot, and escaped just in time. Returning home he ingratiated himself with his father's troops by his soldierly ways, and when the time was ripe had his father assassinated, and took possession of his throne. Some distance to the east of him was situated the kingdom of the Tungghu, comprising Eastern Manchuria and Northern Korea. Considering that the dispute about the succession would have weakened the Turkish kingdom, the King of the Tungghu sent messengers to Moghul asking for his favourite horse whose speed and endurance had saved his life in his escape from his father's plot. Moghul called a council of his ministers who advised him, seeing the horse was one of his most valued possessions, not to yield, and dare the consequences. "What," said Moghul, "shall I for the sake of a horse offend a friendly people?" He accordingly sent the charger. The Tungghu accepted the surrender as a sign of fear, and sent again demanding his favourite concubine. Moghul assembled his councillors and put the case before them. The council indignantly replied: "These Tungghu go beyond all reason, we would prefer fighting." Maotun again replied: "What! shall I for the sake of one woman do an unneighbourly deed?" He sent his best beloved concubine to Moghul. The Tungghu monarch, elated with his success, imagined he could carry on the game to the end. Between the two people there lay an expanse of uninhabited land some thousand li in extent, which each in turn temporarily utilised as grazing ground. For the third time the Tungghu sent his messenger to Moghul:—"There is beyond your frontiers a tract of land, deserted, and for which your Hing Nu have no occasion. We would wish to have it."

Moghul once more consulted the Council who said, "This is mere waste land; it seems a matter of little moment whether we retain or abandon it." But Moghul looked upon the matter in quite a different light:—"Land," he said, "is the foundation of empire: how can it be alienated?" Moghul's first action was to cut off the heads of his too accommodating ministers; his next step was to mount his horse, proclaim a penalty of death on all laggards, and without giving the Tungghu a moment's time for preparation, ride with his troops to the

East. The Tungghu were utterly defeated, their king killed, and the whole people reduced to slavery.

Such was the origin of the first Turkish empire, which before many years had elapsed had the whole of Eastern Asia at its feet, and by driving the Yuehti across the Pamirs gave rise to a series of events which ended in the ruin of the Roman Empire. Young China dreams fondly of some such glorification. We have carefully avoided forming a premature judgment on the point at issue, not knowing how much of reason the Koreans had on their side. But now China has made out a *prima facie* case, which it would require very strong evidence on the part of Japan to rebut. We can therefore with perfect fairness, and as we believe in Japan's best interest, point out to her the advisability of remitting the points at issue to arbitration. Japan would suffer no loss of prestige by such a course, while on the other hand the fact of her having a righteous cause would, as in the former case, add immensely to her power and prestige. At all events the situation in East Asia is not in such a settled condition, that perseverance in a doubtful cause may not be followed by an universal crash into which the nations, willing or unwilling, will be drawn.

CHAMBER OF COMMERCE.

(Daily Press, February 24th.)

The annual general meeting of the Hong-kong General Chamber of Commerce is to be held this afternoon. The letter by "Indian," in another column, is therefore very timely. It bears on item No. 3 of the agenda, which has appeared for several days among our public announcements. After electing a new committee, of its customary numerical strength of nine, the meeting will be asked to vote on the following resolution.

"That in consequence of the importance of the Trade existing between this Port and Bombay it is resolved under rule XXIII to increase the Number of the Committee from 9 to 10 so as to include a merchant interested in the Bombay trade."

This resolution cannot be said to have come too soon. Our correspondent, whom we may perhaps describe, without betraying his anonymity, as connected with one of the largest of the Indian firms so interested, rightly refers to its non-appearance in the past as an "omission," all the more strange because the Indian trade has for long formed more than half of this Colony's turnover. It is also more or less of an open secret that the Chamber of Commerce committee did not require much argument before they conceded the justice of the Bombay trade's claim to representation; and the only open question is one of personality. Apparently it will not be the duty of to-day's meeting to select a representative for the extra chair on the Committee. According to the advertised agenda, the business is merely to sanction the increase of the committee by one member, who will presumably be co-opted later by the elected nine. These gentlemen will naturally give heed to the preferences of the trade itself, and in that case we have little doubt that our correspondent (whose disavowal of all connection or interest in the premier yarn firm we endorse) may and will be taken as faithfully representing the consensus of opinion among the India traders. Very few people need to be told that the firm of Sassoon J. David & Co. is the leading firm in the trade now to be represented, but if Mr. David also happens to be the choice of most of those whose interests are at last

being taken into account, the committee elected to-day will find no embarrassment in the duty of selecting their new colleague, but rather an opportunity of giving a long-deferred act of justice the semblance of a graceful compliment.

CHINA AND THE CHINA ASSOCIATION.

(Daily Press, 25th February.)

As we suggested would be the case, when we ventured to express our regret at the China Association's error of tactics in connection with its agitation regarding Sir ROBERT HART's successor, the Chinese Government has got its back up, and Sir JOHN JORDAN is finding his position at Peking anything but a bed of roses lately. On page 60 of the 1908 issue of the "Chronicle and Directory," now circulating, the curious reader will be able to find a passage that no member of the China Association has thought necessary to bring to the memory of the public. It occurs in the Rules annexed to the Tariff of 1858, signed and sealed by Lord ELGIN and five Chinese Plenipotentiaries. Rule X states, *inter alia*, that "The high officer appointed by the Chinese Government to superintend foreign trade will, accordingly from time to time, either himself visit, or will send a deputy to visit, the different ports. The said high officer will be at liberty, of his own choice, and independently of the suggestion or nomination of any British authority, to select any British subject he may see fit to aid him in the administration of the Customs Revenue." The Chinese officials are now protesting indignantly that the British Foreign Office—Sir JOHN JORDAN presumably having been instructed to make representations on the lines suggested by the China Association—is acting against the spirit and intention of that rule. We cannot support them in that, for to our reading, the Rule can easily be interpreted in a narrower way than the Chinese interpret it. It goes on to define the administrative duties which are to be independent "of the suggestion or nomination of any British authority," and we should certainly argue, if we thought there was any need to do so, that the question of the appointment of Sir ROBERT HART's successor is a much larger affair than anything coming into the purview of that Rule. We merely mention it in passing, to show that the Waiwupu is now in the undesirable state of irritation we foresaw as a consequence of the publication of the Shanghai telegram and the GUNDRY letter. For previous references to these, vide *Hongkong Daily Press* of Jan. 6th and Jan. 29th. There is a far more important particular, however, in which the Chinese Foreign Office has an infinitely stronger case, and it is now certain that they will make the most of it. The well-informed members of the China Association have perhaps overlooked it, or they would scarcely endorse the telegram and letter to which we felt obliged in honour to take exception.

It is perhaps not generally known that when (in 1898) the Chinese gave the much advertised assurance that Sir ROBERT HART's successor would be an Englishman, Sir CLAUDE MACDONALD gave a counter assurance that China was to have absolute freedom of choice of the man. The 1898 assurance, therefore, so much relied upon by the few China Association members responsible for the policy we have assailed, was a two-sided agreement. China's assurance was given with a string of Sir CLAUDE MACDONALD's tying. This bit of history is

Chinese, it is true, and we have been unable to find any acknowledgment of it in Foreign Office publications. We understand that Sir CLAUDE MACDONALD's confirmation of it is in the Waiwupu to-day, however; and that the Waiwupu has not forgotten it, even if others have. It is distasteful to us to find ourselves, where we certainly never expected to be, arguing a Chinese claim as against our own country's supposed interest, but fair is fair; and we find consolation in the thought that all is not patriotism that professes to be. The attack on Sir ROBERT BREDON was un-English and unfair; in the light of what we have just written, may we not also say that it was unpatriotic as well? It has, we believe (though of this we prefer to speak reservedly) led the British Minister into a dilemma whence we would be pleased to see him honourably extracted. The pledge of his official predecessor was the pledge of the British nation, and at a time when (with ample cause) we have been complaining of China's breaches of faith, we do not want to find our country laid open to a *tu quoque* with such a dishonourable implication. We cannot sufficiently express our regret that a bare half dozen men of Shanghai should have been able so to discredit a body with such a worthy record as has the China Association, or so to imperil the good name of our nation. In the meantime, we learn from Chinese sources that some of the Peking officials are maintaining that Sir JOHN JORDAN's interference constitutes a cancellation of the understanding, and that his persistence in it absolves China from her half of the complementary assurance made by, and with, Sir CLAUDE MACDONALD. These hotheads, therefore, want the Government to appoint a man of another nationality, more as an assertion of China's integrity than because they object to an Englishman. But for the Shanghai conspiracy, as we feel obliged to call it, this foolish and untenable position would not have been dreamt of. If both sides keep their promises of 1898, the matter will settle itself, in the most natural and suitable way. The pity of it is that the first disposition toward departure from the bond should have been shown by a British association.

LONG VACATIONS.

Daily Press, February 26th.

In taking up the subject of legal holidays in this Colony, as they affect the facilitation or otherwise of public business, we do not believe there is any real necessity to offer approval and support to the protest of the Hongkong Chamber of Commerce against extension of the Long Vacation. It would, we presume to think, be "detrimental to the commercial interests of the Colony" to encourage the Bench and Bar to make holiday oftener or for longer periods than it already does, but we also believe that the statement does not require to be proved. The Government, when it submitted the proposal for the consideration of the Chamber of Commerce, did not do so, we take it, as a matter of form. We hope that it recognised the considerable probability of commercial detriment, and it is important, perhaps, to note that the Chamber gave no off-hand decision, but deferred expression of opinion until after it had made full enquiry and careful consideration. Yet in the correspondence published, we are surprised to see that the CHIEF JUSTICE wrote to the Chairman almost as if sufficient consideration had not been bestowed on the subject. His Lordship's letter of February 8th to the Chairman of the Chamber strikes

us as being analogous to a case of "contempt of court." Worse still, it strikes us as being less judicially effective than we had a right to expect. Why should His Lordship write, concerning a decision of the Law Society's committee, that "there is no other side, after the question has been decided by the whole committee," and then proceed to suggest that a decision of another committee should be less final? Looking at the dates of the correspondence, we note that perhaps His Lordship was merely combatting the personal views of the Hon. Mr. HEWITT. Even so, we cannot allow His Lordship's extraordinary view of the finality of committee decisions to pass unremarked. It may be "difficult enough to get people in the Colony to undertake work on committees," but surely not that nor any other consideration whatever should allow the establishment, as a principle, of His Lordship's theory that all decisions by representative committees ought to be accepted unquestioningly and regarded like Persian or Median laws. Representatives occasionally misrepresent their constituents. All men are liable to err. We may go further, and say (referring only to committees in general) that the number of committeemen entitled to regard themselves as like Caesar's wife, above suspicion, cannot in the nature of things be very large. We have lately seen how a small committee at Shanghai, or rather, a section of a small committee there, has committed the members of the China Association to a policy from which many of them dissent, and how it has even succeeded in putting the British Government into a position that looks wrong.

Sir FRANCIS PIGOTT's point that, after a committee has once made a decision, the principle of *audi alteram partem* loses all its value, reminds us in some way of the disgust of another gentleman who deplored our temerity in letting our disapproval of the acts of a section of a Shanghai committee outweigh our undoubtedly respectful sentiment toward the established institution they ostensibly represented. In the present case, fortunately, there are two sides entitled to a respectful hearing, and though we would not undervalue the decision of the committee of the local Law Society, which His Lordship considers should have settled the matter, we cannot help regarding the case of the minority as being exceedingly well put.

We understand that it has been proposed that the Long Vacation established by Ordinance No. 5 of 1898 shall be extended for a further period of one month. By that Ordinance it was enacted that the following vacations should be observed, viz.: the Long Vacation from 24th September to 17th October (27 days) Christmas Vacation 24th December to 1st January (8 days) Chinese New Year Vacation (5 days) and Easter Vacation (7 days) in all 47 days in the year. To this 47 days must be added 52 Saturdays and 52 Sundays, three race days, Whit Monday and the August Bank Holiday, Empire Day and King's Birthday. That is to say that on 158 days out of 365 the Courts are not sitting and another 30 days are now proposed to be added making 188 days or over half the year. We would submit that the proposed extension of the Long Vacation or indeed a long vacation at all is not needed in Hongkong and further that it is harmful. It must be borne in mind that the vast majority of cases in our Courts are between Chinese who do not understand and never can be made to understand why lengthy vacations are necessary. They have been accustomed in the past to prompt settlements of their cases and if such prompt settlements are delayed as they must be if the proposed extension of the vacation is carried through they will lose confidence in our Courts. Some of us can remember the time before the Vacation Ordinance of 1898 was passed. At that time the Courts worked year in and year out and

there was no complaint from the Judges the Bar the Solicitors or the litigants. It may be said that in England there is a Long Vacation lasting from the 1st August to the 12th October besides Christmas and Easter Vacations. This is perfectly true but it must be remembered that the Judges in England do not get one year's leave in every 3 or 4 and that during the sittings they are infinitely harder worked than the Judges here. The same remark applies to the Bar. The vacation is useless to us as solicitors as far as regards taking advantage of it by going away. There is always a certain amount of office work, Police Court, Summary Court and Conveyancing work to be done and we must remain here to do it. We therefore hope that the Chamber will express an adverse opinion to the proposed extension.

With any dissensions in the legal fraternity itself, the public should not be troubled, nor could they affect the decision of the Chamber of Commerce, except as they showed a want of unanimity, and so made their own decision easier. With regard to the issue itself, there are not really so many points to consider. It is a matter of public knowledge that in this Colony as elsewhere, holidays and adjournments have always interfered largely with business, and that the more of them there are, the more will be the public loss and inconvenience. We also can admit that in the matter of work and holidays all of us find it easy to be eloquent, easy to dilate on the amount of work we do, and the amount of rest we think we really need. Individual employers are no easier to persuade than has been the Chamber of Commerce, and as we trust the Government will prove to be in this instance. It is to be hoped that the application will be dealt with as the Chamber advised, and that it will not too hurriedly be made again, especially if there is to be any soreness or heat displayed over it. The vast majority of workers in this Colony have not the slightest doubt that in the matter of holidays and remuneration the legal fraternity is to be envied, and we really do not see that they have anything to complain of, whereas if the suggested change had been made, the public would.

THE KING'S SPEECH.

(*Daily Press*, February 27th.)

Yesterday we printed the full text of the King's Speech, to which the old-fashioned importance is still supposed to cling. Last year's speech from the Throne contained a reference to the relations of Lords and Commons. Nothing has been done, though much has been said, during the months intervening, and the absence of any similar reference this time suggests that the "reform" of the Upper Chamber is no longer included in the list of what the present Government is pleased to call practical politics. Its inclusion last year, and its omission this, serves to show what a hollow formality the King's Speech has become, under Governments that promise what they cannot perform. One is tempted to wonder what His Majesty, who is, after all, a man of blood and brains, privately thinks as he reads out the cut-and-dried references to "My Government" and "My People," and the colourless catalogue of the "pipe-dreams" of those who now, to all intents and purposes, usurp the really ruling functions. What a change, what a humiliating change, from the monarchical point of view at least, has come about in Marrie England in less than a hundred years! What a startling contrast there is between the status of the monarch at the close of the struggle with NAPOLEON, and at the close of the struggle with OOM PAUL, though

then, as now, the masses buzzed like bees wantonly irritated, complained of poverty and want, and hearkened to demagogues in 1820 just as they are doing in 1908. In CORBETT'S time, when the ruling formula was everything for the people but nothing by the people, such a speech as that delivered from the Throne, teeming with half-promises of measures all in favour of the masses, would have disgusted the Commons as well as the Lords. In the early days of Radicalism, it was met with swords and staves, the best and worthiest of the classes regarding the self-assertion of the discontented masses as almost sheer blasphemy. A political speech milder far than the average demagogic utterance of to-day was a transportation matter. There were a score of offences that then involved capital punishment. Little by little members of the classes learned to sympathise, and conceded inch by inch. Nowadays they concede all by all, throwing very generous sops to Cerberus, and still the clamour goes on. There is no sign of satiety. In his speech at Bristol the Prime Minister laid it down that "you cannot afford to play with a little Protection any more than with a little contagious disease." Substituting the words "a little Socialism" for "a little Protection" the injunction might (a contemporary has suggested) be turned with deadly effect against himself. But the day is long past when Parliament played with "a little Socialism." It has, with either Party in power, been playing Diabolo with very big pieces of Socialism, indeed, and the appetite apparently grows with what it feeds on. Men are wondering now if there is ever going to be a stopping place. So long as King's Speeches are so placatory and innocuous as they have grown to be, we need, perhaps, fear no serious red flag waving; and so long as the House of Lords does nothing outrageously high-handed, it looks as if the monarchists will prefer to let it alone. The moral for us at present, if there be a moral, is that even great reforms do not ensure content. If the masses of 1820 could have foreseen all that would have been conceded by the end of the century, they would surely have sworn that there could be nothing left to wish for—that the millennium must date from the inauguration of such conditions as they now enjoy. Yet saving there is less lawlessness, the agitation is going as strong now as when the assassination of the whole Cabinet was planned. There appears to be no finality about reform, and it may perhaps be safely assumed there never will be.

A BUNDLE OF PARADOXES.

(Daily Press, February 28th.)

Lately we referred to the scholastic ideal as impracticable because nature is indivisible. Yest' day we wound up a few comments suggested by the King's Speech with the reflection that there is no finality in the matter of reform. To-day, in another column, we publish a report of an address delivered last month at Cambridge by Mr. BALFOUR, who, even by those who do not admire him as a politician, will be granted some standing as a philosopher. We take it he cannot be taxed with any pessimistic unbelief in Progress; he does believe in Progress—in a circle. This was not pessimism; it was pondered history. Current modes of speech, he pointed out, take Decadence more or less for granted, and they speak with still greater confidence of Progress as assured. "Why should we expect to progress indefinitely?" Mr BALFOUR demanded, and forthwith stated

his disbelief in the possibility of a satisfactory answer. There are various answers, though, and they are only unsatisfactory because men expect to receive the ultimate or whole truth in a phrase. Each of the many facets of the gem of truth is too big for such treatment, and exceptions accompany rules as shadow consorts with light. The best the wisest can produce is the relative. When we repudiate socialism, we do not necessarily embrace individualism exclusively, as shallow reasoners assume. When we point out the futility of reform we do not advocate stagnation. When we admit the justice of an apparently pessimistic statement, we do not deliberately flout optimism. All this is platitudinal, but because it is constantly disregarded, it is necessary frequently to repeat it. In any case, the truth is essentially a platitude, and must always be, although that is not to say all platitudes are true. In brief that brings us back to Mr. BALFOUR'S warning. Though he did not explicitly say so, he in effect reproaches us with letting Gibbons lead us into the habit of accepting as a truism the theory of Decadence—an untrue or at least undemonstrable platitude—and with taking for granted that the idea of Progress as projected and nurtured by philosophers of the COMTE school is as good as self-evident. If there is a possible crystallization of ultimate truth, we would expect to find it in some adage stating the inevitable and inseparable presence in everything of opposites, of good and bad, light and dark, negative and positive, or what you will; an idea dimly perceived by the Chinese, also striving for an unreachable finality of philosophy, in their Happy Mean. Once this is grasped firmly, we see truth in paradox, that the rankest pessimism is the surest optimism, and that when we come to apply that sure optimism (of the sort somewhat unfairly burlesqued by VOLTAIRE) we run the risk of being mischievously pessimistic. It is as true that idealization makes life poorer as that it makes life richer, and it is our own fault if we do not take pains to use it or reject it in proper season. A spoonful of marmalade, held up in sunlight, is one of the prettiest bits of colour that nature has to offer. It offers aesthetic pleasure enough to justify its existence, if (which is not the case) any existence needed to be justified. The same spoonful also offers material nourishment to those who use it in a material way. Eaten, it nourishes the body and no longer delights the eye. Gazed at, it delights the eye without contributing to material nourishment at all. The analogy, though weak in various ways, may serve to explain how there are times when ideals are only to be looked at, and times when it were foolish not to eat them. It explains how a sane man may be pessimistic in theory and optimistic in practice, or vice versa, or both alternately and consistently. Human schemes to beautify life have usually threatened its complexity, which it is sheer folly to assail. The fatalist regards everything in life that he cannot understand sufficiently to admire as the surgeon regards the verminiform appendix. He itches to cut it out. Someday an aesthetic mind-surgeon will discover that the human ear is an ugly and useless excrescence, and want to do as PETER did in the Garden. The ear that PETER lopped off was put on again, and with all possible reverence we suggest to any preacher that there he has a suitable text for a sermon on true reform. The text of true reform, we are almost inclined to assert, should be whether it undoes the meddling of some previous reformer. The verminiform appendages of life are probably

all man made, evolved out of human error in conduct. However that may be, history does not show that man has really progressed save in a circle. History throughout shows how men have indeed succeeded in making things, but usually not the things they set out to make, but something else. Their boasted "free will" is not to be denied them, but qualified. It is the free will and choice of a tethered dog, which may bark or be silent, jump the length of its chain or sit still, walk to left or to right, in all things limited only by its tether. In time, as the Oxyrhynchus papyri surely illustrate sufficiently, the fact that it didn't matter much becomes apparent. It did matter and does matter, though, the moment we realize that it does not. It matters to the living dog, but not (from the wise dog's point of view) to the dog's posterity. Every action of the living, moving dog (or man) may work a cerebral, cellular change, liable to be transmitted by the mysterious force of heredity, but only to that extent need it or he consider posterity. COMTE cheerfully contemplates the passing of unnumbered generations of unrewarded strivers in the faith that some remote (and, as history suggests, impossible) generation will enjoy perfection, much in the same way as some religionists scorn the gift of earthly happiness in the hope of some happiness unearthly. Yet are we all tethered, all playing a part very like that of the fly on the wheel, and our pushings and pullings, while they may result in a more pushful posterity, do not affect the progress of the wheel. Necessity invents. It invented capitalism, and capitalism begat socialism, and so on (whither none can say) to infinity. Philosophic pessimism saves us from fruitless fussing; practical optimism saves us from pessimistic inaction or suicide; that is life; so down with them that decry inconsistency. We may admire our marmalade, or we may eat it, or wisely we may do both; but only a foolish extremist will advocate one more than the other.

HONGKONG LEGISLATIVE COUNCIL.

A meeting of the Hongkong Legislative Council was held on the 27th instant in the Council Chamber.

PRESENT—

HIS EXCELLENCY THE GOVERNOR, SIR FREDERICK JOHN DEALTRY LUGARD, K.C.M.G., C.B., D.S.O.
Hon. Mr. F. H. MAY, C.M.G. (Colonial Secretary).
Hon. Mr. A. M. THOMSON (Colonial Treasurer).
Hon. Mr. W. REES DAVIES, (Attorney-General).
Hon. Mr. W. CHATHAM C.M.G. (Director of Public Works).
Hon. Mr. A. W. BREWIN (Registrar-General).
Hon. Commander BASIL R. H. TAYLOR, R.N. (Harbour Master).
Hon. Dr. Ho Kai, M.B., C.M., C.M.G.
Hon. Mr. H. E. PALLOCK, K.C.
Hon. Mr. E. A. HEWITT.
Hon. Mr. WRI YUK.
Hon. Mr. E. OSBORNE.
Mr. A. G. M. FLETCHER (Clerk of Councils).

MINUTES.

The minutes of the previous meeting were read, and confirmed.

PORTUGAL'S CALAMITY.

HIS EXCELLENCY—On the 6th February last this Council passed a resolution with regard to the crime which has been committed in Portugal. Before proceeding to business, I will read the reply received from the Governor of Macao, to whom the resolution was forwarded.

Palacio do Governor,
12th February, 1908.

SIR,—I have the honour to acknowledge receipt of Your Excellency's letter conveying to me copy of a Resolution of Condolence with the Portuguese Throne and Nation in the terrible calamity that has befallen them, passed by the Legislative Council of that Colony and to tender to Your Excellency, the Honourable members of the Legislative Council and the people of the Colony of Hongkong the heartfelt thanks of this Government and Colony for their kind expressions of sympathy.—I have etc.,
(Sd.) PEDRO DE AZEVEDO COUTINHO,
Governor.

His Excellency the Governor,
Hongkong.

PAPERS.

The COLONIAL SECRETARY, by direction of His Excellency the Governor, laid on the table the following papers "Progress Report on the Construction of the British section of the Hongkong-Canton Railway to 31st December 1907" and "Report on the Widows' and Orphans' Fund for the year 1907." [Printed in another column.]

FINANCIAL MINUTES.

The COLONIAL SECRETARY, by command of H. E. the Governor laid on the table Financial minutes No. 6 and 7, and moved that they be referred to the Finance Committee.

The COLONIAL TREASURER seconded, and the motion was agreed to.

FINANCE.

The COLONIAL SECRETARY—I have to bring up the report of the Finance Committee (No. 2), and to move its adoption.

The COLONIAL TREASURER seconded, and the motion was agreed to.

SUMMONING OF CHINESE ORDINANCE.

The ATTORNEY-GENERAL—Sir, I rise to move the resolution which stands in my name. It extends the period of operation of the Summoning of Chinese Ordinance 1899. Under the existing ordinance it is necessary that it should be renewed, and as it seems advisable to renew it, this resolution so provides.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

The resolution was in the following terms:

Whereas by section 5 of the Summoning of Chinese Ordinance 1899 (No. 12 of 1899) it was enacted that the said Ordinance should only continue in operation for a period of two years from the coming into operation of the said Ordinance and for such further period or periods as might from time to time, be determined by resolution of the Legislative Council.

And whereas it is desirable that the said Ordinance should remain in force until its operation is determined by a further resolution.

It is hereby resolved by this Council that The Summoning of Chinese Ordinance 1899 shall be and hereby is continued in force until its operation is determined by a further resolution of this Council.

INSPECTION OF ANIMALS.

The COLONIAL SECRETARY—I beg to move that the approval of the Council be given to the Amendment of the Importation and Inspection of Animals Bye Laws made under section 16 of the Public Health and Building's Ordinance 1903. The only alteration, Sir, in the byelaws that is rather material is the concluding words in bye law No 3 "such other place as the Board may appoint." The insertion of these words is necessary in order to give greater latitude to the Board in selecting the place for the segregation of infected animals.

The HON. DIRECTOR OF PUBLIC WORKS seconded, and the motion was agreed to.

CHINESE EMIGRATION ORDINANCE.

The ATTORNEY-GENERAL moved that the Council resolve itself into committee to consider the Bill entitled an Ordinance to amend the Chinese Emigration Ordinance 1899.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

In addition to some minor amendments a new section, numbered 5, was added amending section 142 of the Principal Ordinance by substituting in the second line of sub-section (1) the words "fifty dollars" in place of the words "twenty five dollars."

The Colonial Secretary explained that this increase in the fees for medical examinations was made in order to recoup the cost of addi-

tional staff (amounting to between \$5,000 and \$9,000 per annum) rendered necessary by the Bill for the supervision of assisted emigrants. The balance of the increased fees over such cost will be credited to General Revenue.

On the Council resuming,

The ATTORNEY-GENERAL said—In view of the introduction of the new clause 5 which involves a charge in aid of revenue we do not propose to ask the Council to-day to read the Bill a third time.

HIS EXCELLENCY—The Council stands adjourned until after the meeting of the Finance Committee.

JURY LIST.

When the Council resumed the Jury List for 1908 was considered in private, and the Council was adjourned for a week.

FINANCE COMMITTEE.

A meeting of the Finance Committee was then held—the Colonial Secretary presiding. The following votes were passed:—

POLICE STATION REPAIRS.

The Governor recommended the Council to vote a sum of one thousand three hundred dollars (\$1,300) in aid of the vote Public Works Extraordinary, Buildings, No. 5 Station—Alterations to Quarters.

QUEEN'S COLLEGE.

The Governor recommended the Council to vote a sum of one hundred and fifty six dollars (\$156) in aid of the vote, Public Works Extraordinary, Miscellaneous, Queen's College Latrines and Urinal.

KOWLOON-CANTON RAILWAY.

The following progress report on the construction of the British Section of the Hongkong-Canton Railway to 31st December, 1907, has been laid before the Legislative Council by Command of His Excellency the Governor:

DESCRIPTION OF ALIGNMENT.

The present alignment is slightly different from that set out by Mr. Bruce. In Kowloon Station Yard, the line has been kept further west nearer Des Vaux Road. At chain 3800 Des Vaux and Gascoigne Roads are carried over the line by a very large Bridge.

After passing this bridge, the grade rises at 1 in 150 to chain 3600, near which the line passes over a proposed 100' road by a 60' girder bridge, with 2 side spans of 10 feet arches for the pathways.

At chain 3700 another 100' road (Argyle Street) is crossed by a 60' girder bridge. As close as possible to this road, I propose to put a station for Yau-mat.

Passing through a short tunnel, the line crosses another 100' road by a 60' span girder. This is the third bridge which the Public Works Department have asked the Railway to build, for which there is at present no road except such as is marked on a map as "Proposed."

After crossing this road, the grade rises at 1 in 100 towards the hills and at chain 17500 enters Bacon Hill Tunnel. There is a short length of level in the centre of the tunnel, chain 20700 to 21300, and the line falls at 1 in 100 to the north portal at chain 21700 where the grade changes to 1 in 100. Near this point, the line crosses the valley on a bridge consisting of three 40' girders, and runs down the north side to Tai Wai Village where there is a bridge of four 40' arches over the Shing Mun River.

From this river, the alignment has been completely altered. Instead of continuing on and keeping to the sea side of the road, the line curves to the east and crosses the Taipo Road by a level crossing at chain 33600. Shatin Station is placed at chain 35000 and at a reduced level of 214'0" which ought to keep the formation dry during typhoons at this point.

Beyond Shatin Station, the coast line gets very rugged and indented with deep bays. It was found impossible to get a line at a low level here without having either very deep cuttings through the spurs or else running the line too far into the sea. For this reason, the grade rises at 1 in 500 and 1 in 1,000 till a height of 237'00 is reached,

Between chain 43200, and 44200, the Taipo Road is diverted to the sea side of the line, as the railway is too high above the road for level crossings. At chain 45300 the road passes under the Railway. Shortly after this, the road rises rapidly and between chains 45850 & 46200 and 46950 & 47200 is diverted and kept on the west side of the line by being scarped out of the cutting above the Railway.

Between chains 48100 and 48450 is a short tunnel, the road going round the spur is carried over the tunnel portals at both sides.

At Chain 49500 on Mr. Bruce's alignment, there was marked a viaduct of 20 spans of 20 feet in rather deep water. In order to avoid this the new line goes more inland and passes in rather deep cutting through the west side of a hill at chain 50400. The line comes out on to the coast line again and is in heavy scarp cutting for some time, with a short tunnel between Chains 51475 and 51625.

The grade runs down then past the village of Cheung Sui Tan and rises again approaching the Taipo tunnel. This tunnel between Chains 62625 and 63475 avoids a sharp curve round a very exposed spur to the south of Taipo Station Yard. Going through the spur, instead of round it allows the line to cross the next bay much nearer the shore and avoids a good deal of bridging in deep water.

Taipo Station Yard is in the same position as Mr. Bruce placed it, but I have raised the level 2 feet to 22'00.

Beyond Taipo, the line deviates very much from Mr. Bruce's alignment for the first few miles.

The original alignment was very far out in the sea enclosing large tidal areas. The bridges necessary for letting the water out would all have to be founded on wells which would have been very costly requiring a large amount of plant. The new alignment runs right inland after leaving Taipo Station, passing to the west of Taipo Market. The line then gets back on the old alignment for a few chains and then leaves it again to avoid a 6 degrees curve on a 1 in 100 grade.

Fu Ling Station is reached at Chain 96000 and the frontier at chain 113,000.

Note.—The various levels quoted are referred to a datum 200 feet below Ordinance Datum.

SURVEY.

All expenditure under this heading has been completed. The difference between the Actual and Estimated Expenditure represents a saving on the Total Estimate.

LAND.

Outside Kowloon all the land has been bought with the exception of some lots near the site of Shatin Station.

FORMATION EARTHWORK.

Any quantities and amounts I might give to show progress under this sub-head would be very deceptive. The total expenditure up to the end of 1907 was under a quarter of the total estimate for the line but about half of the total quantity of earthwork has been done. This is owing to the fact that the commencement of all earthwork cuttings, &c., is generally the easiest and the quickest done because the material is soft and therefore more cheaply excavated while the interior is generally composed of rock which besides being harder to excavate has to be led out a longer distance before it is in its final position in the bank.

The departmental system of carrying out works does not lend itself to easily estimating the future expenditure to complete the work because all work is done by petty contracts on a schedule of rates. The rates are graduated to suit the varying nature of the work and unless costly borings were taken which would also take some considerable time it would be impossible to make anything like an estimate of the amount of money required to complete the earthwork on the line. These borings if taken would not assist the Engineers in any way in carrying out work under this departmental system.

The estimate of expenditure during 1908 must therefore be regarded as approximate only but it should be sufficient to complete all earthwork banks and cuttings with the exception of the reclamation in Kowloon Station Yard, a big bank in Shatin Valley and also another near Taipo. If all goes as at present

I think there may be a saving of about 10 per cent. or say \$250,000) under this sub-head.

FOR ATION TUNNELS.

The progress of the work under this sub-head is not quite as much as was expected. This is due to the unexpected difficulties met with in the nature of the material through which the long tunnel under Beacon Hill is being driven and also to the fact that great delays were experienced at home in getting delivery of the plant required for working the tunnel owing to the workshops generally being very full up of orders.

There are five tunnels on the line but four of these can be neglected as far as expenditure and progress during 1907 is concerned.

On a large tunnel as compared with earth work the reverse is the case as regards expenditure and progress during the first year of construction. In the case of a long tunnel a very large amount of material and plant has to be collected and erected before a proper start can be made. This increases the expenditure per lineal foot of tunnel during the first year and it would not be right to multiply out the completion of the tunnel at the same rates as the first lengths.

Up to the end of 1907 the following had been done at Beacon Hill Tunnel:—

SOUTH SIDE.

The heading had been driven 1,975 feet from the face, and a shaft sunk about 90 feet deep. This shaft is now thrown out of use but its construction added greatly to the length of heading driven. 345 feet of heading had been widened and fully lined.

NORTH SIDE.

The heading from the open was driven 352 feet during the year. It was started during the first week in January 1907. A shaft was also sunk 270 feet between January 3rd and October 24th and 115 feet of heading driven towards the south and 100 feet towards the North. These headings are in extremely hard compact rock which I hope will not require any lining of brickwork. On 31st December there was 120 feet of lining completed.

The plant at both sides is similar. There has been erected a complete double set of electric lighting dynamos and also a double set of air compressors for driving the rock drills. These compressors are at present used for ventilating as well as driving the drills, a triplicate set of compressors are on order for ventilating when the headings get further into the hill. A great part of the expenditure up to date on the tunnel has been for the erection of this plant and the housing of the staff which will not I hope occur this year.

Hardly $\frac{1}{4}$ of the heading has been completed and the cost per lineal foot is slightly in excess of the estimate and about $\frac{1}{15}$ of the widening has been executed. This widening is costing considerably more than the estimate and may result in an excess of \$300,000 being required. This is due to the large amount of explosives required and the cost of the labour generally being under-estimated in the first instance through unforeseen difficulties.

As regards brick-lining it is difficult to say how the estimate will work out. One thousand feet was estimated as requiring to be fully lined at each end. This will be exceeded at the south side as the decomposed granite is extending much deeper into the hill at the side than was expected. At the north side the rock got harder and compact much more quickly and the distance estimated to be fully lined will not be exceeded. The balance of the tunnel was estimated as requiring only an arch overhead to keep chips of stone from shaking out and falling on passing trains. Parts of the tunnel will not require even this so there may be a saving in the lining.

A very large amount of material is at site in the shape of bricks and timber which makes the figures for expenditure look large compared with the progress and makes diagrams and figures very deceptive.

The minor tunnels will all be built within the estimate. The expenditure during the past year chiefly consisted of the cost of materials at the site of works.

FORMATION ROADS.

No expenditure was undertaken under this sub-head.

BRIDGES MAJOR.

About half the estimated expenditure has been expended on the large bridges. Of these 18 Bridges work has started on all except about 3 as regards at least collecting of material. Four are complete with the exception of the ironwork and 3 arched bridges are practically keyed in and about 3 are about half finished. The rest are well in hand. I would consider there will be a saving of about \$500,000 under this head but it is difficult to say as all the foundations are not in as yet.

BRIDGES MINOR.

About one quarter of the estimated expenditure on this sub-head has been incurred and I consider a good deal more than quarter of the work has been finished. Rather a larger number of minor bridges have to be built than was at first expected. Owing to the complicated systems of irrigation in the New Territories the water could not be collected and run through one opening but had to be split up into several minor bridges and culverts. There will be over 30 Minor bridges when the Railway is complete and of these seven have been absolutely completed with a saving of about 10 per cent. on the estimate. Work is well in hand on the other bridges and there is no reason why the saving on these should not be at least 10 per cent. or about \$500,000.

BRIDGES CULVERTS.

The expenditure on these are keeping well within the estimate though the number is rather in excess of that estimated for. These culverts are as a rule made only for single line owing to the no being no difficulty in lengthening them when the line requires doubling.

The decrease in expenditure during 1907 in the main head of bridges was owing to the fact that the survey took rather longer than was expected and as there was no reason for picking up lost time, no extra rates were given to hurry up the work.

TRACK BALLAST.

Not much work was done under this heading during 1907 owing to the high rates asked by the Chinese contractors. As there was no object in collecting ballast at this early stage no large contracts were let. A large amount has been put down for 1908 but it is hoped this amount will not be required. The rates are falling gradually and it is probable that this will be done for the estimated amount.

TRACK PERMANENT WAY.

The unforeseen expenditure during 1907 under this sub-head was for rails and sleepers for the reclamation of Kowloon Station Yard. It was decided to use the permanent rails and sleepers for this work as the use of narrow gauge rails and sleepers similar to what is in use at the Tunnel would flood the Colony with such a large amount of this material that it would be difficult to get rid of at the completion of the work. This expenditure was material only.

PLANT.

Under this heading the increase of expenditure was owing to broad-gauge engines, A.C. being required for the reclamation in Kowloon Station Yard. These engines will form part of the permanent equipment of the line. No permanent increase is foreseen.

GENERAL CHARGES.

The increase here is due to a large original under-estimate and to the difficulties of the line rendering it necessary to increase the superior grade of the Supervising Staff.

GENERAL PROGRESS.

There are two large works on which depend the final completion of the line.

(a) Beacon Hill Tunnel.

(b) Excavation of Cutting No. 1 which is to form the reclamation on for Kowloon Station Yard.

Beacon Hill Tunnel has always been considered the ruling factor as regards the final opening of the line for traffic. At the end of December the heading going north from the south side and that going south from the shaft at the north side were 1,914 feet apart which would meet at the end of November 1908 if the present average can be kept up. Six or seven months at least would be required to widen out and lay the rails ready for opening for traffic say the end of May 1910.

The reclamation of Kowloon Station Yard with material taken from cutting No. 1 is however taking longer than might be expected and I trust the completion of the whole line may not be delayed by any failure on the contractors to finish their contract within the specified time, viz., December 1909.

ESTIMATES.

I append detailed statement of the original, revised and supplementary Estimates together with statement of expenditure to end of 1907 and estimated expenditure during 1908 and to complete the work. The expenditure during 1906 was \$593,546.45, during 1907 \$1,314,915.51, while it is estimated that during the present year the expenditure will amount to \$1,200,000. To complete the undertaking \$2,925,822 will be required.

G. W. EVFIS,

Chief Resident Engineer.

10th February, 1908.

ALICE MEMORIAL AND AFFILIATED HOSPITALS.

A meeting of the Finance Committee of the Alice Memorial, Netherlands, Alice Memorial Maternity, and Ho Miu Ling Hospitals was held at the Alice Memorial Hospital, Hollywood Road, on February 21st. The Hon. Mr. A. W. Brewin presided, others present being Dr. R. MacLean Gibson (secretary), Hon. Dr. Ho Kai, Messrs. W. T. Tsai, A. Rumjahn, Duncan Clark, M. Watson, Choa Leep-chow, Pu Yan-tsum and Hu Choo.

The SECRETARY, after reading the minutes of the last annual meeting, which were confirmed, proposed that Messrs. D. W. Craddock, A. S. D. Cousland, J. W. C. Bonnar, A. Turner and E. S. Kadoorie be elected members of the Finance Committee.

Mr. RUMJAHN seconded, and the motion was carried unanimously.

The SECRETARY drew attention to certain items in the balance sheet. The ordinary donations, he said, were \$10,300 as compared with \$8,700 last year, roughly an increase of \$1,600. Hospital Sunday's collections this year realised \$619 as against \$508 for last year. They hoped, however, that this collection would still be augmented, as a few years ago they used to receive upwards of \$700. From investments they had received altogether \$251.5 as compared with \$240 in 1906, an increase of \$11.5. From the Land Investment shares they still only drew \$865, and practically lost \$1000 every year from this investment. The speaker then referred to the special donation of \$400 from the Chinese procession fund, an item which practically helped them to make a respectable balance sheet. The expenditure this year showed that salaries and wages stood at \$5395 as against \$4,769, an increase of \$635. This was due to the Ho Miu Ling Hospital. Last year it had been working only six months, but this year it had been working twelve months. Food, medicines, surgical appliances, clothing, furniture, repairs and sundry accounts also showed increases. It was possible to cut down the expenditure, but whether this would be wise or not was a matter of opinion. Personally, he thought they should carry on the work efficiently; if carried on in an inefficient manner the name of the hospital would go down. It was a matter for regret that they should have a debit balance of \$1700, but so far as he could see the expenses during the coming year would not be greater than last year.

It was proposed by Mr. RUMJAHN, and seconded by Mr. Tso, that the report and accounts be adopted. Carried.

Mr. WATSON proposed that Mr. H. R. Phelps be appointed honorary treasurer of the hospitals.

Dr. Ho Kai seconded, and the motion was agreed to.

The CHAIRMAN proposed that the committee of the Chinese Procession Fund be heartily thanked for their donation of \$1000 to the hospitals. It was very fortunate for them that these public spirited gentlemen were able to raise such a large sum. Not only did the Alice Memorial Hospital benefit, but other charities as well. Had it not been for this donation their deficit would have been rather alarming.

Dr. Ho Kai seconded the motion, and wished to thank Messrs. Ho Kom-tong and Chau Sui-ki, two of the principal workers for the procession.

The SECRETARY moved that the thanks of the committee be conveyed to Messrs. Chun Chik-yue and Chan Kang-yu who had subscribed \$855 for the purpose of providing electric light and power for working the x-rays apparatus.

Mr. Tso seconded, and the motion was agreed to.

It was proposed by Mr. CLARK, seconded by Dr. Ho Kai, and agreed that the committee's thanks be conveyed to Mr. David Wood for auditing the accounts.

The CHAIRMAN remarked that Dr. Gibson, in his joint capacity of superintendent and treasurer, must have had some mixed feelings in tendering his report. It must have been a great gratification to him to find the work of the hospital increasing in usefulness, but he must have been dismayed in finding that the ordinary income fell short of the revenue by \$24,500. It was true that they hoped sometime soon to find their income increased by \$5,000, but that still left \$19,500 to be obtained from some source or other. During last month they obtained promises from various Chinese guilds of subscriptions amounting to about \$600 or \$700, and that still left the Finance Committee for the present year to look somewhere for about \$1,900. This was a charity which had been founded, was maintained and conducted by Europeans and Chinese jointly, and he was sure the European section of the community would not wish to be behind hand in helping them in their difficulties. They were bound, as the work developed, to obtain higher subscriptions, and he did not see the names of a great many ladies and gentlemen who, he was sure, would be willing to subscribe if they were only asked. He thought figures were always more eloquent than words, and he had noted the following figures from the report, which would show the growth of the hospital. In the ten years ending 1897 the average number of in-patients was 732; for the five years ending 1902 this rose to 814, and in the five years ending 1907 to 876. The out-patients showed a corresponding increase from 9000 up to 12,000, and finally to 15,000. The opening of the Maternity Hospital had gradually increased their work, and consequently their expenditure. The number of ladies in hospital in 1905 was 45; last year there were more than double this number, or 109. Outside last year 22 patients were attended, whereas this year the number was 114. Dr. Sebrer must have felt proud when she reflected that she had presided over the inauguration of the maternity work in Hongkong, and her name would be separately connected with this work as long as it proceeded (applause). The speaker regretted that he would not be able to be of much help to the committee in meeting the deficit this year, as he would be shortly leaving the Colony, but anything he could do during the short time he was here he would be very pleased to (applause).

Dr. Ho Kai said it was with the greatest pleasure he rose once again to propose a vote of thanks to the Chairman (applause). And also to ask him to be kind enough to accept the position once more. He thought it superfluous to say anything to those present to insure their passing a hearty vote of thanks to Mr. Brewin, because all present knew full well the work he had done for the hospital. He was ever on the look-out to secure subscriptions and help from outsiders—Chinese as well as Europeans. He was quite sure Dr. Gibson would agree with him when he said that often times if that gentleman had not had the help of Mr. Brewin he would have been in a very tight corner indeed (applause). Mr. Brewin was going away for a well earned holiday in about a month's time, but they wished him to continue to act as chairman and the speaker asked that he be re-elected and allowed to depute a *locum tenens* to act temporarily. The speaker wished to propose first a hearty and cordial vote of thanks to Mr. Brewin, and secondly, that he be elected chairman for the coming year.

Mr. CLARK seconded, and the motion was carried nem. con.

The CHAIRMAN said he would be very pleased to act for the short time he would be here, and concluded the business of the meeting by thanking those present for their attendance.

The report of the Alice Memorial and Affiliated Hospitals for 1907, was as under:—Throughout the year the various departments of the hospital work have progressed satisfactorily. The number of in-patients shows a marked increase over the total for 1906, the numbers being 1058 as compared with 870, an increase of 188. The Affiliated Hospital can now accommodate a hundred in-patients and during the summer months most of the beds were occupied. The private wards in the Ho Miu Ling Hospital have been greatly appreciated; the patients using these wards do not pay an extra fee, but are encouraged to give donations to the funds of the hospital. While many of the in-patients are residents of Hongkong, some come from the New Territory and Macao, and a few from greater distances, e.g., Canton, Tungku, etc. The out-patient surgical dressing rooms have been improved, and a large room has been set apart for women and children who are dressed by the Chinese nurses under the supervision of the Matron. There were 1689 cases of eye disease treated as out-patients and of that number 959 were cases of Trachoma, while there were 163 operations on the eye and 221 treated as in-patients. While many cases of Trachoma can be cured or relieved by medical treatment, the disease will continue to flourish until the Chinese realize the great importance of fresh air in their dwellings. It is the common custom to shut up at night all possible sources of ventilation and the vitiated atmosphere affords favourable conditions for the growth of the microbe which is supposed to cause the disease, though authorities are not yet agreed as to the special microbe. As the students of the Hongkong College of Medicine attend the out-patient clinics and assist in the hospital wards, they have daily opportunities of recognising eye diseases. In the Netherlands Hospital there were 144 children, of 12 years or under; of that number 61 were boys and 78 girls. The following are the principal diseases from which they suffered.—Eye diseases, Tuberculous bone disease, Bronchitis, Broncho-pneumonia, Congenital Malformations, Dysentery, Stone in the Bladder and Nephritis. It has been necessary to treat some cases of phthisis in patients but treatment in a general hospital is not satisfactory. A sanatorium is needed, built on a site removed from the neighbourhood of dwelling houses, with free access of fresh air and plenty of sunlight at all hours of the day. Such an institution would be useful for the treatment of early cases and serve also as an example to the great benefit which may be derived from early treatment of the disease under favourable hygienic conditions. That cases untreated are a great danger to the health of a community has in recent years been recognised at home, and some cities have made Phthisis a notifiable disease. The large number of cases of Phthisis in the Colony would justify the erection of a sanatorium for treating a disease which an authority has stated is one of the most curable of diseases. His Excellency Sir Frederick and Lady Lugard, Sir Alexander Simpson, Emeritus Professor of Midwifery, Edinburgh University, and Sir Samuel and Lady Chisholm of Glasgow, have honoured us by visiting the hospitals. Miss Stewart, our new Matron of the Netherlands Hospital, received her training in Sunderland Infirmary, and holds the certificate of C.M.B. and L.O.S. Four students have received the diploma of the College of Medicine and 29 attended the various classes. We gratefully acknowledge medical assistance given by Drs. Jordan, Forsyth Bellis, Sanders, and Dr. Evan Jones, dental surgeon.

FINANCIAL:—The income for the year was as follows:—Ordinary donations \$10,348.10 (Chinese \$5,482.21 and Non-Chinese \$4,865.89), as compared with \$8714.90 in 1906, an increase of \$1,633.20; Hospital Sunday \$619.30 as compared with \$508.14 for 1906. We are greatly indebted to Mr. Chan Siu-ki and Mr. Ho Kom-tong who, as representing the committee of the Chinese Procession Fund, kindly gave a donation of \$1000 to clear off the debt from last year; also to Hon. Mr. A. W. Brewin for a special donation of \$1,250 from the Registrar-General's

Office Fund, to be placed on fixed deposit in the Hongkong and Shanghai Bank and the yearly interest to be applied to the general funds. We regret that the year's accounts show a debit balance of \$1,782.

The report on the Alice Memorial Maternity Hospital, stated:—The year 1907 has been marked by a decided increase in the number of patients attended both in hospital and outside. Our in-patients number 126 as against 91 last year while the outside cases have increased from 45 to 114. We have been particularly pleased that the two private wards have been so frequently occupied by Chinese ladies who are glad to avail themselves of hospital treatment. As in former years a large number of patients are sampan women and although they are often difficult cases they make very good patients. Outside we have attended cases of all classes in widely differing circumstances, women in sampans and junks, in dark cubicles and overcrowded tenements, as well as those in well appointed, well furnished houses. The training of midwives has been carried on as before. We started the year with six and end with the same number. Our numbers are limited by our accommodation and not for lack of applicants. In March three nurses were examined by the Hon. Principal Civil Medical Officer, after finishing their two years' training and passed satisfactorily. All three were at once employed by the Government, two being located in Wanchai. In December a fourth nurse passed the examination and is now settled in Honghom. This brings the number of midwives employed by the Government up to seven. Their work has grown month by month and from what we are able to see of them they are faithful and diligent in it.

CHURCH MISSIONARY SOCIETY.

The annual meeting of the Hongkong Church Missionary Society held on Feb. 21st at St. Paul's College was well attended. Bishop Lauder presided and was supported by Ven. Archdeacon Banister, Ven. Archdeacon Moule of Mid-China and the Rev. F. T. Johnson.

The acting treasurer, Mr. SMITH reported that the income for 1907 amounted to \$780.60 and that the balance in bank at the end of the year was \$436.93.

On the motion of the Rev. Mr. JOHNSON, seconded by Archdeacon BANISTER, the following Committee was elected: Mrs. Banister, Mrs. Bunbury, Mrs. Clayton, Miss Eyre, Miss Fletcher, Mrs. France, Mrs. Hipwell, Miss Johnston, Mrs. Tompkins, Messrs. J. Beck, A. Bryer, G. Piercy, and Crowther Smith, with the clergy who are members of the Society.

The BISHOP remarked that it was not necessary on such an occasion to apologise for missions, because they were members of a Christian church whose *raison d'être* was missions. They in Hongkong could see the need of Christian missions. They lived among a people whom they respected in many ways. They could not help admiring the characteristics of the Chinese and they felt that that people only needed one thing to make them rise to the great ideal they had for them, and that was faith in the Lord Jesus Christ. It needed the righteous principles of the Gospel inculcated. Although he had only been in the colony a few months he had been long enough to see that there were remarkable results following on missionary work. They had in connection with their own church in Hongkong congregations of Chinese Christians that were self supporting, presided over by their own pastors. At St. Stephens they might see every Sunday morning a congregation of devout Christian people, and besides the church at Kowloon City there was the church at Yau-mat-lai lately taken over by the Chinese Church Council. They had now a church body that managed its own affairs and looked after the interests of the church so that it was not dependent upon European support. It was remarkable that last Christmas they had more Chinese than English communicants. That was encouraging. His Lordship also mentioned the ready response made to his appeal to the Chinese congregations to contribute to the Pan-Anglican conference and stated that many of the gifts were in such small coins which showed the sacrifice of the people and their readiness to recognise the blessing

which the Church of England had brought to them. After a reference to the other institutions associated with missionary work in Hongkong and pointing out that St. Paul's College was never so full as at the present time he alluded to his visit to Pakhoi which he had made on the "Flora" and where he found evidences of wonderful work. In conclusion he called upon the Ven. Archdeacon Moule who had been associated with missionary work in China for nearly half a century, to address the meeting.

Archdeacon MOULE, in the course of his address, said that he had seen China asleep and he had seen China awake. He had seen it awake with the terror of the Taiping rebellion, and he had seen various movements develop in the country. It was said that the old people could not sympathise with young China, but he thought they could sympathise because they had seen new China. They had seen China awake. It was wide awake now and he did not think it would go to sleep again, though it might slumber. The programme of the present reform party in China—he did not mean the revolutionary party—was the programme of the Taipings forty-seven years ago. Every sensible idea in the programme of the reform party was anticipated by the Taiping rebels, including the bible in schools. That programme embraced schools, electric trams, steamers in all the inland waters of China, civility to foreigners liberty to trade, etc. All these were advocated at that time, and then China went to sleep again. Speaking on the opium question, he said that he did not think China was going to sleep again with the big pipe in her mouth. He believed China was in earnest now. The Government of China was in earnest and it behaved them now to urge upon England that it was her duty not to follow but to lead. China might, tell lies and open the opium shops again, but it was their duty to be honest and show an example to China.

The meeting concluded with the doxology.

RAILWAY MATTERS IN MANCHURIA.

(FROM OUR CORRESPONDENT.)

Mukden, February 13th.

Fakumen? And where in China is Fakumen, and what is the international difficulty regarding a railroad there? These questions are being asked to-day wherever newspapers are read.

Fakumen is a city in Central Manchuria, 50 miles north of Hsiuminfu, the present northern terminus of the Imperial Railroads of North China. These lines have their southern terminus at Peking and run from the capital through Tientsin and Shanhaikuan, at which point they pierce the Great Wall, up through the province of Chili to Hsiuminfu in Manchuria. These lines have been constructed by English engineers with money advanced by English banks and are being efficiently operated by the Chinese under English supervision.

It has always been China's intention since 1898 to continue the railroad through North Manchuria and Mongolia to the Chinese Eastern Railway (Trans-Siberian), and in the agreement with the British Corporation, which floated the bond, the Chinese Government has promised, in case of its own inability to finance the work of further construction, to borrow the money from the English interests in the line already built.

The Japanese have forbidden the Chinese to extend their railroad to Fakumen.

"Forbid" is a strong word to use in diplomatic relations; nevertheless "forbid" is the word used in the Japanese official protest against the so-called Fakumen extension.

Hsiuminfu, the present northern terminus of the Chinese line, lies 40 miles due west of Mukden with which latter city it is connected by a branch railroad built by the Japanese during the recent war and purchased last year from them by the Chinese for Gold Yen 1,660,000.

By the Peace of Portsmouth Japan took over from Russia all the rights in the southern half of the South Manchurian Railway between Dalny and Kuangchengzu, at which latter station the present Japanese line connects with the Russian section which in turn effects a

junction with the Trans-Siberian at Harbin.

The projected line which the Chinese are desirous of building is surveyed from Hsiuminfu to Fakumen; throughout its course it runs off the right bank of the river Liao which divides it from the territory at present tapped by the Japanese railroad.

The peculiar interest in this case lies in the international relations it brings up. The contract for the Fakumen extension was made at Mukden early in November 1907 between the representative of Paulings, an English railroad contracting firm of London, and Hsu Shih Chang Viceroy of Manchuria, and Tang Shao Yi, Governor of Fentien (Central Manchuria) who happens to be the same man with whom the Hayashi Convention, upon which the Japanese are basing their protest, was made in April 1907. The document was formally drawn up in Chinese and English, signed by both parties, and duplicate copies exchanged. The contract now lacks only the Imperial sanction to become operative.

Furthermore, in financing the projected extension the British Corporation, through its representative in Peking, undertook to raise the necessary funds and to this end drew up late in November last, with the same above mentioned Chinese signatories, an additional agreement to advance the sum of £500,000 for the construction of the line. There through both an engineering and a banking concern England is interested with China in the prolongation of a line of railroad into one of the richest districts of North China. The Fakumen road is a natural extension of the Chinese railways already in successful operation; it seeks to exploit a region of Mongolia and North Manchuria at present entirely undeveloped, and it sends its rails northward on the far side of a commercially navigable river, entirely out of the legitimate zone of the South Manchurian Railway.

Against this natural and legitimate enterprise on the part jointly of the sovereign power of the country and their own ally, Japan not only protests,—she forbids.

She forbids on the nominal ground as she alleges, that in April 1907 China agreed to build no line of railroad in future parallel to, and competitive with, the South Manchurian Railway. But it is impossible to find in the Convention of April 1907 the slightest basis for Japan's position; the matter of competitive lines is not once alluded to. The convention was made in Peking between Count Hayashi, Envoy of Japan, and Tang Shao Yi, the present Governor of Central Manchuria. In the minutes of the Convention it is recorded that Japan earnestly stipulated for the very clause upon which they base their present mandatory protest, but,—and this is the important point,—the Chinese Envoy expressly objected against the inclusion of such a clause in the agreement, and was so far successful that the Japanese project was only recorded as a minute of the proceedings. These minutes were subsequently to the meeting, copied in duplicate, signed, and exchanged. According to the Chinese they have no binding power whatsoever; according to the Japanese they are made the basis of "forbidding" any further railroad enterprise, not their own, in Manchuria.

In assuming this position Japan adopts a policy with regard to Manchuria identical with that of Russia in 1897. At that time Russian policy, under the Lamsdorf regime, was openly pledged to the exclusion of any foreign influence other than their own from Manchuria, M. Pavloff even went so far as to object at Peking, for his Government against the employment by China of an English engineer not "because he was an Englishman, but because he was not a Russian."

Possibly there may be some ground for a Japanese protest on a supplementary treaty basis, because the Chinese have before now been led into affixing their signatures to documents which they either misunderstood or understood as not binding. But that the line is competitive with a sound commercial definition seems absurd when a glance at the map will show the new project not only at a minimum distance of 40 miles from Japanese rails but as the far side of a river already in use for freight transport from the interior to Newchwang, and

exploiting a district of Mongolia and North Manchuria entirely untouched as yet by Japanese enterprise.

Taken with other unmistakable evidence of Japanese aggression in Manchuria, the Fakumen protest seems conclusive. But other evidence is available to render such a conclusion additionally sound. It has become known to your correspondent through the most reliable sources that, since the new agreements were made early in November last, the Japanese have intimated through official channels that if they were admitted to a proportion of at least one-third of the financing of the project, they would "allow" the railroad to proceed. In other words Japan has clearly shown in this instance her unwillingness to admit any other power, even a power allied, into the political field to the Three Eastern provinces. She seems to have committed herself by an overt act to the position that in Manchuria Japanese interests are and shall remain paramount.

In this connection what has become of the Open Door Policy, and of signed and sealed treaty obligations looking to that end?

OUTCOME OF THE AMOY CASE.

NATIVE MERCHANT CHARGED WITH PERJURY.

As an outcome of a trial in a civil action heard before the Chief Justice, and known as the "Amoy case," Lam Tung-fai was indicted before Mr. F. A. Haselard at the Magistracy on Feb. 28th on a charge of perjury. Mr. F. B. L. Bowley, Crown Solicitor, prosecuted, and Mr. G. K. Hall Brutton (of Messrs. Brutton and Hett) appeared for the defendant.

Mr. Bowley traced the facts leading up to a recent trial before his Lordship the Chief Justice. The defendant, after being duly declared at the trial, had denied that he had sent, or had authorised to be sent, a telegram from the Wing Fung firm of Amoy to the Ng Yuen Hing firm of Hongkong. Council proposed to prove that the defendant had sent the message. The Chief Justice had ordered the arrest of all the Amoy witnesses.

Evidence was called and the hearing adjourned.

CHINESE IMPERIAL DECREES.

A Decree dated Peking, February 14, says:—Peking is densely populated and whenever there is an increase in the value of goods, the poor are greatly affected. Recently the price of goods has been very much raised owing to the dearth of silver and the abundance of copper coins. In consequence of this, We hereby command the Ministry of Finance to pay Tls. 500,000, in silver, to the Governor of Peking, who is ordered to select a government or private bank to purchase back copper coins with this sum in order to prevent any further increase in the price of silver, and at the same time to stop all the merchants in Peking from selling goods at an unreasonable price. The Ministry of Posts and Communications and the Superintendents of the Customs and Ostro of Peking are also commanded to prohibit the practice of bringing in large quantities of copper coins. Should any persons be found to have minted coins for circulation, they will be arrested and punished according to law through the Ministry of the Interior, or by the Viceroy of Chihli province, the Governor of Peking or the General Commandant of the Gendarmerie. When the price of silver comes to the normal standard, the said Governor of Peking shall refund the Ministry of Finance the sum of Tls. 500,000. Chen Pih, President of the Ministry of Posts and Communications, who has practical acquaintance with such matters, is ordered to co-operate with the said Governor of Peking in carrying out this measure and to act in such a way as to meet Our Wishes.

Another dated February 15 says:—

The Emperor will personally sacrifice at the Temple of Heaven and Earth on the 2nd day of the 2nd moon (March 4).

HONGKONG GENERAL CHAMBER OF COMMERCE.

The annual meeting of the Hongkong General Chamber of Commerce was held in the City Hall on February 24th, and was largely attended. Hon. Mr. E. A. Hewett presided and there were also present Hon. Mr. H. Kewick, Messrs. G. Friesland, D. R. Law, G. H. Medhurst, A. Fuchs, J. R. M. Smith, H. E. Tomkins and A. G. Wood (committee), E. A. M. Williams (secretary), Hon. Mr. E. Osborne, Messrs. A. Forbes, J. Plummer, S. D. Setna, B. D. Tata, D. Haskell, A. Rumjahn, J. W. Bolles, J. A. Jupp, Ho Fook, M. Stewart, E. Shellim, H. N. Mody, A. R. Lowe, H. M. H. Namazee, A. V. Apcar, E. J. V. Jorge, W. Helms, C. M. Ede, C. Thiel, A. Shelton Hooper, J. Leiria, A. P. Marty, H. W. Slade, R. Hancock, G. C. Moxon, C. Gok, J. T. Douglas, A. C. Botelho, T. W. Hornby, W. Anderson, H. Pinckney, A. Koeber, W. M. Watson, Chan Siu-ki, D. Hickie, C. R. Lenzmann, G. L. Tomlin, H. W. Locker, T. Kusumatsu, Hon. Mr. H. F. Pollock, Messrs. R. Henderson, C. Klinck, E. Pabany, H. P. White, W. L. Carter, T. F. Hough, L. Berindoague, E. David, A. Bishop, F. Boetj, D. W. Chadock, G. Marshall, E. H. Hinds, C. H. Ross, W. G. Humphreys, W. F. Clarke, M. P. Beattie, J. Jensen, F. Smyth, R. Mitchell, A. J. Raymond, W. Jack, S. H. Michie, A. M. Essabkov, C. Lafrentz, F. D. Barrett, D. Clark, A. G. Gordon, A. S. D. Cousland and others, who represented numerous firms.

The CHAIRMAN said—Gentlemen. The report and accounts were circulated to the members of the Chamber some days ago and with your permission therefore I will take them as read. Before proposing their adoption I will as usual offer a few remarks on the more important questions which have engaged the attention of the Committee during the past twelvemonth. Taking these more or less in the order in which they appear in the published correspondence now in your hands, the first matter of moment is that of the attempt on the part of the Chinese Authorities at Nankin to establish what was virtually a monopoly in the sale of prepared opium. The question of the proposed gradual extinction of the opium trade was referred to in my address last year, when I considered it necessary to point out how careful a watch must be kept upon the Chinese Authorities in order to ensure that, under the name of reform, they should not attempt to unduly favour their own trade in the drug, at the expense of the foreign article. The movement in Nankin was a striking example of the methods which the Chinese would adopt in illegally hindering our trade were they not forced by the Foreign Powers to stand to their treaty obligations. The question of this attempted monopoly and the far reaching effect on our trade which would have resulted had it been successfully carried out, has been so fully set forth in the published correspondence that little remains for me to add. As soon as the matter was brought to the notice of the Committee, the local Government and His Britannic Majesty's Minister at Peking were promptly communicated with, and it is satisfactory to record that owing to the strong attitude taken up by Sir John Jordan the monopoly appears to have been crushed, (at all events for the time being) but like other illegal attempts at interference with foreign trade it is quite possible more may be heard of it at a later date, and therefore unremitting vigilance is imperative. Regarding the letter received from the Hongkong Government dated 26th September last, there is only one point to which I need specially refer, and that is to the concluding paragraph. This displays such an apparent want of understanding of the subject, after it had been fully explained, that it makes one wonder whether the paragraph in question is meant to be taken seriously. Can it mean that because Hongkong lies beyond the bounds of the Chinese Empire our Chamber should have no concern with what affects our trade on the mainland? However, so far as the question is concerned it is satisfactory to know that H. M. Minister in Peking laboured under no misapprehension as to the serious nature of the question. He fully realised not only the illegal

nature of the action on the part of the Chinese Officials but also the far reaching effects which such action would have on our trade, and has dealt with the question in a masterly, I may say a statesmanlike manner, happily with the desired result. During the year references have from time to time been made to the Chamber suggesting that the Colony take part in various industrial exhibitions under contemplation in different parts of the world. In view of the increasing number of these exhibitions it is of course impossible for us as a Colony, to be represented at all, and while I take this opportunity of directing the attention of merchants and traders in general to the opportunities thus offered for advertising their special branches of trade should they so desire, those officials and others who have been courteous enough to communicate with the Chamber on the subject will, I trust, understand that it is not through lack of sympathy or appreciation on our part that we cannot always recommend to the Government that the Colony should officially take part in the particular exhibition which at the moment they may be interested in. On general principles it appears that the support given should be by such persons directly interested and the Colony should not be asked to contribute to the cost of such exhibition except in those cases when the exhibition has special reference to the general trade of this Colony or to that of the British Empire as a whole. One of the most important questions which has come before us during the past twelvemonth, and indeed one of the most important which we have been called upon to consider for some time past, is that of the control of the private moorings in the harbour. To put the matter briefly, a small minority of the shipping, largely coasting trade, appears to be dissatisfied with the existing arrangements according to which regular shipping lines have the privilege of laying down moorings at their own expense, and upon which, as would appear reasonable under those conditions they have the first call. The proposal now put forward is, not that the Government should buy out these private moorings thus controlling them as is done by the port trust in some of the large shipping centres in the East, but that the owners should still bear all the expense and responsibility of the moorings while the use of their own property is subject entirely to Government sanction. The Committee can only come to the conclusion that if the proposal now put forward by the Government were carried out, a very great deal of extra inconvenience would be caused to the shipping trade of the Colony as a whole, in order to meet complaints which it is alleged are now made by but a small section of the trade, and we sincerely express the hope that after further considering the matter the Government will realise that the proposed legislation can but prove vexatious, being neither desirable nor calculated to attain the object in view, namely to facilitate and encourage the shipping trade of the port. The question of quarantine is a naturally one which most vitally concerns a Colony like Hongkong, and a trading population such as ours, but while we recognise that much good can result from a discriminating use of the power placed in the hands of the Government, still great care should be exercised in order that the zeal of experts should not lead to its under application. That this is sometimes done must be admitted and the Committee consider an instance of unnecessary alarm or overcaution, whichever it may be called, was displayed in imposing quarantine against Shanghai in September of last year on account of cholera in that port. We fully realise that at times quarantine is necessary in order that greater evil may be averted, but it must be borne in mind that quarantine imposes considerable sacrifices on those engaged in trade, and should only be imposed when good grounds exist for such an extreme step being taken. This brings me to a question which appears of late years not to have received sufficient consideration, namely, the need of a permanent quarantine station. Since the total absorption of Stonecutters Island by the War Department for defensive purposes, no area, so far as I am aware, has ever been set aside for a quarantine station. The result of this was that last summer, during the typhoon season, we saw the

remarkable sight of a steamer anchored in the quarantine section of the harbour, surrounded by a fleet of junks in which were placed some hundreds of Chinese coolies who had arrived in a cholera stricken vessel. I need not point out in detail the many very serious objections, as well as grave dangers, which were raised by this method of dealing with an emergency. I merely take this as an opportunity of pointing out some isolated place, preferably on one of the smaller islands in the harbour, should be marked off for such a quarantine station. Sites could be prepared and the need arose temporary matcheds could be erected for the reception of suspects at small cost of money and time. The place on the termination of the outbreak could be cleared and disinfected by fire. Happily the need for such a site does not arise very often, but when it does we should be prepared to deal with the matter in an efficient and thorough manner. During the period under review the Government has on more than one occasion addressed the Chamber on matters relating to proposed legislation for the better control of Companies registered in this Colony, and carrying on business either here or in the neighbouring Empire. The Committee gladly welcomes this evidence on the part of the Government to keep stricter watch on those Corporations engaged in business here, as owing to the transition state through which the trade in China is now passing too many opportunities are offering for the unscrupulous to take advantage of the ignorance which obtains in so large a part of China of Western business methods. Cases can unfortunately be cited where business has been carried on in China under cover of the protection of Foreign Governments on lines which are neither creditable to those concerned nor calculated to make trade easier for the upright merchant wishing to deal with the Chinese. I now come to an old—I would, I could say a valued friend—viz the Currency question. This matter has been dealt with of late years almost *ad nauseam* but still remains like a festering sore eating into the very vitals of our business with China. The gentlemen who recently gave their services on the Committee appointed by His Excellency to consider this important question deserve the thanks of the community, and it is to be regretted that a greater unanimity of opinion was not arrived at which would have led to a more satisfactory conclusion to their labours. The divergence of views held after its full discussion emphasizes the difficulty of properly solving the question. The Committee of the Chamber of Commerce as a body are practically in agreement with the minority report as drawn up by three of our colleagues, and we believe that this will on the whole commend itself more favourably to the business section of this community, than the drastic measures suggested by the majority. As you are all aware an influential and carefully chosen commission is now sitting in London to consider a question which has the greatest possible influence on the shipping trade of the Empire, I should perhaps say rather on universal trade. I refer of course to the Royal Commission on Shipping Rings. The Committee of this Chamber must of necessity include a large proportion of members directly interested in shipping, and feeling ourselves in a somewhat delicate position when asked by the Government and the Secretary of the Commission to reply to a series of questions propounded by the Commissioners, we considered it advisable to obtain a plebiscite on the subject. The result is fully set forth in our replies dated 31 May, 1907, which appear on pages 52 to 55 of the report. The result as a whole must, I think, be taken as favourable to shipping. Conferences as worked in the Far East, for had these Conferences acted harshly or arbitrarily towards the merchants the complaints brought forward would have been more numerous than the three which alone were elicited by our enquiry. The final report of the Commissioners is naturally awaited with considerable interest. In my address last year I alluded to the handicap placed upon British shipping in certain branches of our passenger trade by existing regulations particularly with regard to the carrying of passengers of Asiatic birth and the coolie trade. As you are aware the Imperial Government has

altogether refused to grant us the relief asked for. We can only suppose that the importance of the points raised has not been fully understood by His Majesty's Government or that other matters, to them of greater importance, have occupied their attention to the exclusion of those questions, thus preventing them from carrying out what we consider a most necessary reform of the shipping laws of the Empire. A further attempt will be made later to bring about these reforms. Recent events have attracted attention to the need of improvement in the lighting of the approaches of the harbour, and in the harbour itself. The report drawn up by the Committee appointed by His Excellency has not yet been made public but we understand that suggestions have been made which if carried out will go far towards reducing the risk which now exist under certain conditions to vessels attempting to enter the harbour after dark. There still remains a number of other interests for discussion to which reference might be made but I have already dealt with so many that it appears desirable to draw my remarks to a close. Two important matters, the proposed new typhoon refuge, and the Kowloon Railway, must however be mentioned. The cost of both of these as we now learn greatly exceeds the original estimates, but the pressing need for proceeding with the work in both instances as promptly as possible is fully apparent, and we believe just as fully realised by the Government. In my last address I referred to the loss the Colony had sustained through the departure of H.E. Sir Matthew Nathan. We have now to record the arrival of his distinguished successor H. Sir Frederick Lugard who has already given evidence of the thoroughness with which he is mastering the details of the many questions relating to his new field of activity. As regards the membership of the Chamber some changes have taken place during the past year, some of them I regret to say through death. In the Committee itself changes have also taken place. Mr. Siebs, I am sorry to say, has been obliged to resign owing to failing health. I am sure all of us will agree in expressing our sincere and unfeigned regret at this resignation, and for its cause (applause). Mr. Siebs is, I believe, the oldest member of our Committee and enjoys to the full the highest esteem of his fellow residents who respect him as an able business man and a courteous and upright gentleman (applause). Another resignation is that of Mr. Haupt who is shortly leaving for home. To both Mr. Siebs and Mr. Haupt the Chamber are indebted for much good work and the Committee are glad to place on record their appreciation of the valuable advice which has always been accorded by them, in their deliberations. While regretting their departure we welcome their successors, Mr. Fuchs and Mr. Frieland, who are both well known to you and whose election to the Committee we trust meets with your approval. After five years work as Secretary Mr. A. R. Lowe has found himself, through pressure of other business engagements, compelled to place his resignation in the hands of the Committee. Mr. E. A. M. Williams has been selected from among the many applications for the post as his successor, an appointment which the Committee confidently recommends to you for confirmation. In conclusion I would only remind you that this Colony, in common with the East generally, has recently passed through a period of great financial depression and anxiety. We believe, however, that we now see signs of a real improvement in trade and I trust that long before our next annual meeting is held, we will see a revival of trade in all branches and that we will be fast forgetting the lean years recently experienced (applause). This, gentlemen, closes my address as prepared a few days ago. Since then, another question which is referred to in our report has been somewhat prominently brought before the committee, viz., the question of the extension of the long vacation. The entire correspondence dealing with the matter has now been printed and speaks for itself, and it does not appear to be necessary to add anything further on behalf of the committee than what you now have before you. I may say that I have received a further letter on the subject, which I think I had better

read. The CHAIRMAN then read the following letter:

Chambers,
Supreme Court, Hongkong,
24th February 1908.

Sir,—I have the honour to acknowledge the receipt of the reply of the Committee of the Chamber to my letter of 19th February on the subject of the minute of the Committee dealing with alteration of the Vacations of the Court. The contents of the reply, and the fact that apparently the minute has been slightly modified since it was first printed, compel me to trouble you with this further letter.

2. I am of course quite willing to believe that the innuendo contained in the minute was not intended; but innuendo is not a question of intention but of fact; and the fact that this minute does contain this innuendo, is apparent from the tone of all the leading articles in the newspapers which have been devoted to the subject.

3. The introduction of personalities in such a matter is I agree most regrettable. But they have been addressed to me and to my action in the matter owing to the unfortunate form in which the minute was worded, and have caused me considerable annoyance. The facts which led to the change being made in the vacations were fully explained by me to you personally as Chairman of the Chamber; and in the face of my letter printed in the Appendix of the Report, of my further letter to you which is not printed in the Appendix, and of the fact of which I informed you that the alteration was made after consultation, and with the concurrence of the Committee of the Law Society, I can only repeat that "the facts which have led to the making of the Rule have not the faintest resemblance to what is the plain inference from the minute."

4. I notice that the words in the minute as originally circulated to the members "the majority of the solicitors" have apparently been altered to "many of the solicitors," for that is the form in which the minute is printed in the papers. It may be that this change was made as the result of my letter; but even in this modified form the innuendo remains unchanged. In this connexion I find that in my letter of 19th February I referred to the minute as containing the words "the leading solicitors," a lapsus calami induced by the fact that the "leading solicitors" would probably be included in the "majority of the solicitors" to which the minute refers; the greater including the less.

5. In view of the discussion which has taken place in the newspapers in consequence of this minute of the Committee, in which my action is placed before the public in the most unfavourable light, and in a light which the facts do not in the least warrant, it will of course be necessary to make my letter public, and I assume that you will, as I requested, lay it before the meeting of the Chamber this afternoon.

I have the honour to be,—Sir,
Your most obedient servant,
(sgd) F. T. PIGGOTT,
Chief Justice.

I have not been favoured with a copy of the Supplementary Appendix to the Report referred to in para 4 of the letter under reply.

The CHAIRMAN remarked that the Chief Justice's letter was considered at a meeting on Saturday afternoon, consequently it was impossible to place the full correspondence before members earlier. He concluded by proposing the adoption of the report and accounts as presented.

Mr. C. H. Ross—Gentlemen, I came here this afternoon prepared to listen with great interest to the Chairman's remarks, but I am sorry to say I have not heard a single word (applause), and I fear there are a great many sitting in the back rows who have heard nothing of what the Chairman said (applause). However, you will read it all in the newspapers to-morrow (to-day) therefore I will proceed. I have listened, as I am sure you have also, with the greatest interest to the comprehensive resume by the Chairman, of the matters which have been dealt with by the Chamber during the past year. Our Chambers of Commerce, and Kindred Associations, have come to be regarded as the "watchdogs" of our trade,—they form the medium of communication between those in authority and commercial

communities, and it is to them generally speaking that we look to safeguard our commercial interests. It is always therefore a matter of supreme importance that those entrusted with the active management of these Chambers' affairs should be men of judgment and tact, and that they should be well versed in commercial details and in local customs and ways. Those of us who are acquainted with the inner working of our Chamber, know that the post of Chairman is by no means a sinecure, and it is one which at all times it is difficult to fill. It is a post of honour, and while no doubt in a community such as ours there may be many who possess ability for the position, yet it generally happens that those so qualified have neither the inclination nor the time to devote to its needs. Others again possess the inclination but lack the ability. I think all of you have taken the trouble to digest the somewhat voluminous report of the matters dealt with by our Chamber and will agree with me that we are fortunate in having at our disposal the services of a Chairman who not only has the inclination and ability for such work, but who also is fortunate enough to be in a position to spare the time necessary to successfully carry it out, and I am sure gentlemen you will agree with me that we owe a debt of gratitude to Mr. Hewett and also to the General Committee for their labours of the past year. Mr. Hewett in his very comprehensive speech, has touched on most of the important questions which have come before the Chamber during the period under review, by far the most important of which was the attempted Opium Monopoly at Nanking, by reason of its close association with the avowed intention of the Chinese Government to suppress the use of Opium throughout the Celestial Empire. The contemplated monopoly, thanks to the timely representations of the British Minister, died a sudden death, and I trust that the day may not be far distant when the eyes of the world may be opened to the obvious insincerity of the Chinese Government with regard to the proposed suppression of the consumption of opium in China. As the Chairman said in his letter of the 3rd September to the Colonial Secretary, it is possible that several of the leading High Officials in the Chinese Empire may be quite sincere in their desire to check the production and consumption of opium, but that the Chinese Government is equally sincere in this desire, I do not believe, and I regard their avowed intention to put an end to the cultivation of the poppy as a deliberate attempt to throw dust in the eyes of the Foreign Governments concerned in this trade. In our own countries, we also have certain well meaning enthusiasts who think they can abolish vice by law, but I do not think any have yet gone so far as to propose or imagine that the consumption of strong liquors in Western Countries could be suppressed in a decade! If this be so, how I would ask can it be possible for a weakly governed country like China to hope to stamp out her besetting vice in this short space of time? We are told by those who profess to know, that the opium is the curse of Eastern races and of the Chinese in particular. All I can say, gentlemen, is, that I have lived a good many years in the East and in the Far East, over which I have wandered from port to port, also in the interior, and my impression is that opium is not one hundredth part such a curse in the East as strong drink is in the West. Take away opium from the Chinaman, and he will inevitably turn to strong drink. With opium as his vice, the Chinaman is a peaceful and lawabiding being, but I wonder much whether his character might not alter materially if he drank cheap whisky instead of smoking opium. This is a point, to which the present Manchu Rulers of China might well give careful thought and study, if they wish to prolong the period of their Dynasty, and if perchance they are sincere in their avowed desire. Other very important matters such as "Private Mooring Buoys in the Harbour," and the "Lighting of the Harbour" seem to me to have been fully dealt with in the report in your possession, and as I understand there are others wishing to speak on certain matters, I will not longer trespass on your time, I have much pleasure Sir, in seconding the adoption of the annual report and accounts (applause).

The motion was carried unanimously.

Mr. H. P. WHITE moved the re-election of the outgoing committee, the Hon. Mr. E. A. Hewett, Hon. Mr. H. Keswick, Messrs. G. Friesland, D. R. Law, G. H. Medhurst, A. Fuchs, H. E. Tomkins, and A. G. Wood. Those gentlemen enjoyed the confidence of the Chamber.

Mr. E. H. HINDS seconded, and the motion was agreed to.

The CHAIRMAN—The next question before you is the suggestion to increase the number of the committee from nine to ten. For many years the constitution of the committee has been very much as it is at the present moment, but it occurred to us sometime ago that it would be advisable to get a gentleman on as a member who was more directly interested as a merchant in the import trade of India, or Bombay, in view of the enormous export trade existing between this Colony and India. Therefore we come before you to ask you to increase our committee.

Mr. A. FORBES proposed that the number of members of committee be increased from nine to ten.

The motion was seconded by Mr. C. J. LAURENTZ, and carried.

Mr. J. A. JUPP proposed the confirmation of the election as members of Messrs. Soares and Co., Mr. G. Grimble, the Netherland Indies Commercial Bank, Messrs. Lowe and Bingham, and Messrs. Wallam & Co.

Mr. W. G. HUMPHREYS seconded and the motion was agreed to.

The CHAIRMAN—I would ask you gentlemen, to confirm the appointment of the secretary which your committee decided on. I can only say the committee have taken a very great deal of trouble with the applications received, and we believe we have made a happy selection, and recommend the appointment for confirmation.

Mr. A. G. WOOD seconded, and the appointment was confirmed.

The CHAIRMAN—I am very much obliged for your attendance, gentlemen. That concludes the business of the meeting.

The report for 1907, states that several important questions have had the attention of the Committee during the past year.

The attempt of the Viceroy of Liang Kiang to establish an Opium Monopoly at Nankin and thus injure British interest by fostering native produce at the expense of the Indian Article, and which was in direct contravention of Article 5 of the British Treaty of Nankin 1842, received the earnest attention of the Committee. Protests were made to H.B.M.'s Minister, Sir John Jordan, K.C.M.G., at Peking and to the Hongkong Government. It is satisfactory to be able to report that, as a result of Sir John Jordan's representations, the Central Government of His Imperial Majesty instructed the Viceroy of Nankin to suspend the Monopoly and a proclamation was issued by the Kiangnan Opium Monopoly Bureau on the 7th September, 1907, to that effect. The Committee had the support of the China Association in their action.

The sum of \$12 was refunded to Commander R. W. Glennie of H.M.S. "Waterwitch" for payments made by him to fishermen as a reward for discovering shoals and rocks at the Good Hope Cape, Swatow and Tongsang Harbour, and the thanks of the Committee conveyed to him.

In response to a letter received from the Colombo Chamber of Commerce suggesting co-operation with this Chamber in seeking modification of the Crown Agents System, the Committee replied that they had no reason to complain of the system and had nothing further to add to their letter of the 24th July, 1903, on the subject.

A letter was received from the joint managers of the Liverpool Colonial Products Exhibition requesting the assistance of this Chamber in making the merchants of the Colony acquainted with the undertaking. The Committee expressed themselves as being in sympathy with the Exhibition and offered to distribute any circulars containing details which might be forthcoming.

Very important correspondence on the subject of private mooring buoys in the Harbour has passed between the Chamber and the Hongkong Government. In a letter dated the 6th August, 1907, the Colonial Secretary conveyed

to the Chamber the Government's proposal to amend Table O (a) of the Merchant Shipping Ordinance and to allow private mooring buoys to be used by ships of other owners, when vacant. The Committee, in their reply, dealt fully with the subject and differed almost *in toto* with the arguments for a revision of the present system set forth by the Government. The Government's reply is at present receiving the Committee's earnest consideration.

A matter which received the attention of the Committee was the Prepared Opium Amendment Ordinance 1906 (No. 15 of 1906 and subsequent notification (No. 219 of 5th April, 1907). In consequence of strong representations by Messrs. A. S. Watson & Co., Ltd., and their contention that the new Ordinance was unfair to local chemists and druggists, the Chamber placed their contention before the Government and suggested that if the Government desired closer control of opium and morphia, separate books should be kept by the chemists and druggists for the recording of the sale of these drugs, and such books should be open to periodical examination by the Government. In response to the Chamber's letter on the subject, the Government promised that the matter should have their further consideration.

The Committee having been requested by the Government to nominate a Master Mariner to the Committee appointed by His Excellency the Governor to consider the advisability of making certain alterations in the weather forecasts and storm warnings issued by the Hongkong Observatory, Captain J. N. Roach, of the S.S. "Haitan," kindly agreed to act as their representative. In response to a request by the Government for any observations the Chamber might have to make on the suggestions drafted by Commodore Williams, R.N., the Committee expressed themselves as being entirely in accord with the Government's views and thanked the Government for the opportunity afforded the Chamber of commenting upon them.

Letters were received from the Shanghai Chamber requesting the co-operation of this Chamber in protesting against the quarantine restrictions of the Government on vessels from Shanghai, owing to the alleged prevalence of cholera at that port. The Committee took pleasure in supporting the protest of the Shanghai Chamber.

The Chamber received a request from the West India Committee, London, to join them and other Chambers in protesting against the intention of His Majesty's Government to withdraw from the Brussels Sugar Bounty Convention at the end of the first five years of its establishment, i.e., 1st September, 1908. The Committee recognising the importance to this Colony with its very considerable sugar refining industry of the Imperial Government's adherence to the Convention, addressed a protest to the Right Honourable the Secretary of State for the Colonies, and expressed the hope that His Majesty's Minister would decide that it would be in the best interests of the Empire that Great Britain should remain a party to the Convention for another space of five years. By the courtesy of the Hongkong Government a copy was received by the Chamber of a despatch from Sir Edward Grey to His Majesty's Minister at Brussels.

By the courtesy of the Government the Chamber was enabled to criticise the Bill "An Ordinance to authorize Companies registered under the Companies Ordinance, 1863, to keep local registers of their members outside the Colony." The Committee, feeling that the Bill, for the greater part, affected those companies whose business was entirely confined to Shanghai, forwarded the draft to the Shanghai Chamber. After considering that Chamber's views on the Bill, the Committee of this Chamber were able to suggest certain modifications to the Government, which were adopted.

The Government did this Chamber the honour to invite their comments on an important Ordinance relating to Life Insurance Companies which provided for a deposit to be made with the Registrar as security for policy holders, and the periodical actuarial examination of Life Companies' liabilities together with annual schedules for the better control of such Companies. The Committee

approved of the Bill generally but suggested a slight alteration which did not commend itself to the Government. The Committee were also asked for their observations on the proposal of the Government to introduce legislation to enable the Governor in-Council to strike off the Companies' Register any Life Insurance Companies so financially unsound as to be virtually fraudulent and assured the Government that such a measure would have their cordial approval. The Chamber were further honoured by being asked if, in their opinion, such legislation should extend to Registered Companies which underwrite marine risks. The Committee in their reply, whilst approving the principle, pointed out that hardly the same necessity for protecting the public existed with regard to Marine Insurance Companies, as the insured being business men, were more able to judge of the stability of the Company and the transactions were more often confined to shorter periods.

The Committee in their report for 1906 dealt with the injustice to merchants at Newchwang from the fact that goods passed through Tairen (Dalny) duty free. From a copy of a letter from the Doyen of the Diplomatic Corps in Peking to the Shanghai Chamber, your Committee learn with pleasure that it is the intention of the Imperial Maritime Customs to establish stations both at Dalny and the Northern frontier of Manchuria.

The China Association, Shanghai Branch, having approached the Government with a view to ascertaining what measure of support a proposed Shanghai International Exhibition 1909, might be expected from this Colony, the Government requested the Chamber's opinion. The Committee expressed themselves as strongly in favour of the Exhibition.

The vexed question of Currency Reform has again had the attention of the Committee. This Chamber joined with the Shanghai and Tientsin Chambers in signing a Memorial to the Dean of the Diplomatic Corps in Peking as was the case in 1903 and 1904. The Committee also fully communicated their views again to the Government of Hongkong, who forwarded a copy to the Secretary of State for the Colonies. Your Committee regret that no material improvement in currency reform is apparent notwithstanding all this Chamber's efforts made in that direction. The question has, however, since been taken up by His Excellency the Governor and the report of the Committee appointed by him to consider the matter is now receiving the consideration of the Government.

The Chamber was approached by the Hongkong Government to give its views on the subject of shipping conferences and combines and their relation to the hampering or otherwise of British trade; for the purpose of answering a letter from the Secretary of State for the Colonies. The Chamber also received a request for their opinion from the Secretary of the Royal Commission now sitting in London. A Sub-Committee consisting of a Merchant and a representative of the Shipping Companies was appointed to consider the answer the Chamber should give. A circular letter containing the form of questions desired to be answered by the Royal Commission was issued to all Members of the Chamber. Thirty-two replies were received out of a total of 114 Members. The consensus of opinion was that the existence of Shipping Conferences was helpful rather than harmful as regards the China trade. Replies to this effect were dispatched to the Hongkong Government and to the Royal Commission on Shipping Rings.

By the courtesy of the Government the Chamber were afforded the opportunity of commenting upon a proposal of the Government to introduce legislation for the purpose of prohibiting the circulation in the Colony of all bank notes other than those already authorised. The Committee replied that they could see no objection to such legislation, provided that the method adopted would not interfere with the negotiation of notes of other countries and currencies which find their way into the Colony through travellers and in the ordinary route of trade.

The Committee placed any information they might possess likely to be of use at the disposal of Mr. Yang Shih Chi, a Chinese Official pursuing an enquiry into trade conditions in Colonial Possessions of Western Powers having Chinese Communities.

This Chamber, having been approached by the Commercial Education Department, London Chamber of Commerce, is now considering the question of the formation of a local centre of examinations for the London Chamber of Commerce Commercial Examinations.

The Committee, upon being asked by the Government for their views on the proposal of the Chinese Authorities to establish a bank under the control of the Chinese Board of Finance, gave it as their opinion that no obstruction should be placed in the way of the project, provided that such bank be placed on exactly the same footing as the other established foreign banking institutions.

The Committee regret that their representations to the Hongkong Government upon the subject of the Chinese Emigration Ordinance, 1889, have met with no success. The Secretary of State in a letter addressed to H. E. Sir Matthew Nathan, K.C.M.G., conveyed the information that the Imperial Government could not, for the present, introduce legislation into the Imperial Parliament which would be necessary to effect the desired object.

The Committee upon being requested by the Government to appoint a member to represent the Merchant Shipping interest upon a small Committee, nominated for the purpose of considering proposals for the improved lighting of Hongkong Harbour, invited the Hon. Mr. Keawick to represent the Chamber.

The Government forwarded a copy of a Treaty of Friendship, Commerce and Navigation between the United Kingdom and the Republic of Nicaragua ratified on the 24th August, 1906. The Committee informed the Government that as the Treaty under its articles could be terminated as far as this Colony was concerned by giving certain notice, in their opinion it would be inadvisable to refuse adhesion thereto.

The Committee were pleased to receive a notification from the Government that an arrangement had been come to with the British Members of the Tientsin General Chamber of Commerce whereby the Government were enabled to keep open the service until 30th September, 1908.

The Chamber were invited by the Government to comment upon the suggestion of the Chief Justice that the Supreme Court Vacation should be extended by 42 days. The Committee were of the opinion that such extension would interfere with public business and their opinion was supported by many of the Solicitors in the Colony in a letter addressed by them to the Chamber.

The Membership of the Chamber for 1907 consisted of 23 individual members and 121 firms. During the year Mr. G. C. Moxon and Messrs. Midzushima & Co. and P. Lemaire & Co. resigned. Messrs. Soares & Co. were elected members and the election requires the confirmation of the Chamber.

The only change on the Committee is the resignation of Mr. A. Haupt owing to his approaching departure from the Colony. Mr. G. Friesland was invited to fill the vacancy and accepted.

Mr. A. R. Lowe, who has been the Secretary of the Chamber since the spring of 1902, resigned the post in April last, but has since acted until the new Secretary took over the duties on the 1st February, 1908. The appointment of Mr. Williams requires confirmation of the Members in compliance with Rule 15.

The expenditure for the year 1907 has exceeded the income by \$306.55. This is due to the fact that the income derived from Reuter's Political Telegrams has decreased by over \$400 and the cost of publishing the annual report of last year was under-estimated.

Shanghai reports the death on Feb. 15, of Captain William Peter Johnston, 1st Master in the China Merchant's Steam Navigation Company. Captain Johnston, who was 68 years of age, was a native of Sweden. When he first went to Shanghai he was employed as toll keeper at the bridge crossing the Szechow Creek. Later he was in the service of the Shanghai Cargo Boat Company and then (in 1867) he joined the China Merchant's S. N. Co., rising to the position of Yangtze pilot for the company and afterwards to captain on the Shanghai-Hankow line. Captain Johnston retired about a year ago.

COMPANIES.

HONGKONG AND WHAMPOA DOCK COMPANY LIMITED.

The ordinary yearly meeting of shareholders in the Hongkong and Whampoa Dock Co. Ltd. was held at the offices of the Company, Queen's Buildings, at noon yesterday. Mr. H. P. White presided, and there were also present Sir Paul Chater, Hon. Mr. H. Keawick, Messrs. A. Fuchs, W. Helms, G. Friesland, D. W. Craddock, G. H. Medhurst, J. S. Van Buren, S. Silverstone (directors), R. Mitchell (acting chief manager), T. I. Ross (secretary), A. V. Apear, L. Brindagne, J. P. Braga, Chan Siu-ki, Choo Leep-chai, A. D. Nison, F. E. Ellis, E. Georg, W. C. Jack, S. H. Michael, E. J. Morse, B. Mori, W. Parlano, A. Rodger, H. Percy Smith, T. Skinner, W. M. Watson, W. H. Wickham and A. G. Wood.

The SECRETARY having read the notice calling the meeting.

The CHAIRMAN said—Gentlemen, The report and statement of accounts having been in your hands for some days, I propose, with your permission to take them as read. The net profits for the half year ending 31st December, 1907, amount to \$16,611.95 as compared with \$401,396.92 for the first six months of the year, and \$369,596.35 for the corresponding period of 1906. Including the \$491,581.56 balance brought forward from last account, and deducting Directors and Auditors' fees, we have available for appropriation the sum of \$611,442.51 out of which sum your Directors propose, subject to your approval, to pay a dividend for the half-year of 8 per cent. or \$4 per share, absorbing \$1,000,000 and to carry forward the balance \$441,442.51 to a new account; we trust this distribution of profits will meet with your approval. Some shareholders may question the advisability of paying away more than has been earned during the past half-year, but I would point out that, taking the year as a whole, we have earned more than the dividends recommended. While regretting the poor results of the working for the past six months it must be remembered that during the first three months of the period under review there was very little doing in the way of docking and repairs, and but for the new work in the shipbuilding department, the shops would have been practically closed. As mentioned in the report, most of the profit on the new work uncompleted will come into the current six months. The profit from this class of work is small but helps to cover establishment charges and keeps our men together during slack periods. The work of lengthening the No. 1 dock, is progressing as well as can be expected, without interfering with the utility of the dock and seeing there is still \$2,113.92 at the credit of the extension account, your Directors deemed it inexpedient to make further provision for this account just now, the amount in hand being more than sufficient to carry on for the current six months. The caisson of the No. II dock has been thoroughly overhauled and repaired at an expense of \$12,494.31, which amount you will observe appears at the debit of revenue account, and it was unfortunate that we had to provide for such a heavy extraordinary outlay during a lean half-year, but the work of repairing could not be further delayed. During the present half-year, the caisson of No. III dock will require a thorough overhaul and repair, but being small in itself the cost will not be so heavy as in the other caissons. Stocks of material on hand are lower by \$76,000 than six months ago, and I take this opportunity for informing you that it will be our endeavour to effect such further reduction as is consistent with the satisfactory working of our business. The taking of stocks has been thoroughly carried out and we have the assurance of the stock takers that the materials are worth the money they stand at in our books. In the statement of accounts, your Directors considered it advisable to make a slight change from our usual practice in giving detailed cost of improvements and separate items in our earnings; these are now merged in two amounts. If any shareholder wishes for fuller information regarding same, details can be obtained on application to the Secretary. Further than this, the statement of accounts does not appear

to call for any special comment. Amounts under the headings of sundry creditors and sundry debtors are rather larger than shown in the last statement, but these will be reduced as new work in hand is delivered and paid for. As you are aware, the new tug and salvage steamer "David Gillies" has been successfully launched; she is now being fitted out and will be finished, so far as towing is concerned, in about six weeks; the salvage plant, though ordered in the early stages of the work, is not yet to hand. The alterations consequent on the extension of the boiler shop are well advanced; the most satisfactory feature in same being the erection of a new chimney and the installation of induced draught. This system has only been running two weeks but gives indication of decided efficiency and will certainly result in further economies of working expenses. The tonnage of British and foreign men of war docked during the past half-year shows a steady reduction compared with former years, and as to merchant shipping, while there have been fewer steamers docked, the aggregate tonnage remains almost the same as the corresponding six months of last year, showing that the average tonnage has gone up from 2,416 tons to 2,630 tons. The sub-committee of Directors have submitted several matters resulting from their investigations which have already been dealt with by the full Board, and the shareholders may rest assured that every effort will continue to be made in the direction of effecting economies. Gentlemen, before closing my remarks, I may say that with the amount of work on hand, our prospects are favourable for the current half-year, and before moving the adoption of the report and statement of accounts, I shall be pleased to answer, to the best of my ability, any questions that you may wish to ask.

There being no questions, the CHAIRMAN moved the adoption of the report and accounts as presented.

Mr. WICKHAM—With the depression existing during the period under review, I think the shareholders may be congratulated on the accounts being as good as they are. In justifying the payment of a four dollar dividend, the Chairman alluded to the fact that taking the year as a whole, the dividend had been fully earned. It is one of the slight inconveniences of half yearly accounts that the period under review is often too short to show a correct view of the average earnings. Many of the most successful enterprises, if a sufficiently short period is taken in their history, would be made to show unsatisfactory accounts for that period. It is very satisfactory to hear that the work in hand makes the opening of this year appear to be a favourable one, and we hope the seed sown in the last half year will bear fruit this year. It is also satisfactory to know that work at the Number One dock is progressing favourably, and that the fund already allotted for that work will be sufficient to carry on for the present half year. The Chairman has not alluded to a matter interesting to every shareholder—that is, the prospect of competition. Personally, I feel very optimistic about the resources and abilities of the Dock Company to meet competition. Its advantages are manifold and only have to be stated to be appreciated. You have the guidance of a board of directors which include representatives of most of the leading shipping firms and companies in the Colony. You have a capital relatively low compared with the resources of the dock, its workshops and engineering plant. You have also a valuer and expert staff who are not only conversant with the conditions and requirements of local shipping, but who are personally well in touch with the requirements of the business. These are some of the advantages you possess. There is another one which I venture to state never appears on the balance sheet—that is the matter of sentiment. Every one who has the interest of the Colony at heart looks with pride on the Dock Company. Every Hongkongite, whether he is a shareholder or not, views its past achievements with pride and looks forward with good will and hope to its increased prosperity in future. Gentlemen, with the co-operation of your directors, staff and shareholders, the good will of your customers, and the support of public opinion, you may look forward to meet successfully any competition

that may arise. With these few remarks, I beg to second the adoption of the report and accounts.

The motion was carried unanimously.

Mr. JACK proposed the confirmation of the appointment of the Hon. Mr. H. Keswick, Mr. A. Fuchs, Mr. W. Helms and Mr. G. Friesland to the Board of Directors.

Mr. SKINNER seconded, and the motion was agreed to.

Messrs. G. H. Medhurst and S. Silverstone were re-elected to the Board on the motion of Mr. BERINDOAGUE, seconded by Mr. PARLANE.

Mr. APCAR proposed the re-election of the retiring auditors, Messrs. H. U. Jeffries and H. Percy Smith.

Mr. GEORG seconded, and the motion was carried.

The CHAIRMAN—That is all the business, gentlemen. Dividend warrants will be ready to-morrow morning.

HONGKONG, CANTON AND MACAO STEAMBOAT CO., LTD.

The ordinary half yearly meeting of shareholders in the Hongkong, Canton and Macao Steamboat Co., Ltd. was held at the office of the Company, Hotel Mansions, on February 25th, Mr. R. Shewan presided, other shareholders present being Messrs. G. Friesland, F. A. Gomes, W. Helms, C. R. Lenzmann, C. H. Ross, C. Thiel, A. Fuchs (directors), Dr. J. W. Noble, Messrs. J. M. Machado, D. D. Gazdar, J. L. Hutchinson, T. F. Hough, E. Georg. A. Denison, A. H. M. Silva, L. Berindoague, W. Dowley, Chan Siu-ki, J. Arnold and others.

The SECRETARY read the notice calling the meeting.

The CHAIRMAN said—Gentlemen, The report and statement of accounts having been in your hands for some days we will with your permission, take them as read. The result of the half year's working compares very favourably with that of the previous six months, showing as it does not a very substantial increase in the amount standing at credit of profit and loss account, but this is due more to diminished cost of repairs and reduced expenditure than to any improvement in trade or passenger traffic. During the big Chinese Procession in the beginning of December there was only a very moderate increase in the passenger traffic on our lines—due largely to the bad weather prevailing at the time. The loss in Exchange of Chinese subsidiary coinage amounted to \$19,489.80 during the six months working, but this is an item that I hope will not become a permanent tax. Severe Chinese competition on the Canton-Macao Line caused such a loss in the working of the small steamer "Lungshan" that your Board withdrew the vessel from the line pending other arrangements. This particular trade has been stagnant and without profit for many years but with an economical and suitable vessel employed we shall hope to hold our own on the run. The matter has the attention of your Board. Increasing competition in which the actual owners of the vessels seldom receive or appear to look for any return on their outlay makes the opposition so much harder for us to struggle against, and in consequence your Board have to make greater efforts to obtain what we consider our fair share of the business. At the same time this Company is in a strong position and well equipped to contend with any opposition, and with close attention to details and economy, we think we are justified in looking forward to as favourable results in the future as are shown in the last half year's working. The statement of accounts as presented will, I hope, be considered satisfactory, and I trust that the proposed appropriation of profits will meet with your approval. Turning to the accounts you will notice that a more equal system of docking and repairing the fleet has been devised, by docking a certain number of vessels each six months. In this connection we are anxious to build up a special repairs fund for the purpose of meeting the cost of any special repairs that will be necessary in the future, and have therefore recommended the allocation of \$20,000 from the profits to commence such a fund. Loans on mortgage have been reduced by \$40,000 in order to increase the margin of safety. The mortgage

of a property in the Eastern District having become bankrupt and unable to pay the interest on the loan advanced, we have entered into possession and the interest due and other outgoings amounting to \$1867.38 have been deducted from the interest on investment accounts. All properties mortgaged to the Company have been surveyed and revalued by the Company's surveyors, Messrs. Palmer and Turner and the loans show a satisfactory margin of safety. The Company's holding in shares of public companies has been increased by \$73,414.15, affording, in the opinion of your Board, all good and safe investments. Turning to the accounts you will notice that, as is usual, we have adjusted the value of share investments held by the Company in accordance with the quotation current at the end of the year. Since the closing of the accounts for the half-year I am pleased to inform you that the claims for the "Sainam" Piracy have been settled. I do not think that there is anything else that calls for particular comment, but should any shareholder require any further information I shall have pleasure in answering any questions.

There were no questions, and the CHAIRMAN proposed the adoption of the report and accounts as presented.

Mr. HOUGH—Mr. Chairman and gentlemen, I rise to second the adoption of the report and accounts. It is very satisfactory to all of us, I am sure, to see that there is an increase at our credit in profit and loss account, but I am afraid that that increase is from a source from which we can hardly expect to see it come again. We have been told by the Chairman that it is owing to economy in the working of the Company and a diminution in the cost of repairs. We all know what false economy it would be for us to skimp the cost, but let us hope that the volume of trade will supply any defect or shortage in the future. With regard to the loss in exchange it is appalling that there should be \$19,500 to be written off on this account, but I am glad to hear our Chairman say he is hopeful that this item will be minimised in the future. Personally I must say, although I would like to be optimistic in the matter, that I am afraid it is a factor which will have to be dealt with for many years to come. It hits all those who have small accounts with the Chinese, seeing that the payments are made in this debased subsidiary coinage, but we must meet the loss as best we can. It is in a measure gratifying to know that the "Sainam" piracy account has been settled, but unfortunately no monetary payments can bring back to us those who were so dastardly done to death on one of our steamers, but the recent demonstration of our navy on the West River will no doubt have a deterrent effect in the future. With regard to the opposition we are meeting just now, which the Chairman says the committee is handling, I am afraid you must always expect that. We cannot hope to be in an unassailable position, and must always look for certain opposition. That opposition has been met in the past by our committee and our manager in a most able manner, and we look forward with every confidence to their continuing in the future as they have done in the past. With these few remarks I beg to second the adoption of the report and accounts.

The motion was carried unanimously.

The appointment of Mr. G. Friesland as a director was confirmed on the motion of Mr. DENISON, seconded by Mr. MACHADO.

Dr. NOBLE proposed the re-election of the retiring auditors, Messrs. A.O.D. Gourdin and W. H. Potts.

The motion was seconded by Mr. SILVA and agreed to.

The CHAIRMAN—That is all the business, gentlemen. Dividend warrants are ready now.

KOWLOON LAND AND BUILDING COMPANY LIMITED.

The ordinary meeting of shareholders in the Kowloon Land and Building Company, Limited, was held on February 25th at the offices of the Company Victoria Buildings. Mr. T. F. Hough presided, and there were also present Messrs. A. Shelton Hooper (Secretary),

A. Rodger, H. Pinckney, M. S. Northcote, J. M. E. Machado, and E. Bruce Shepherd.

The SECRETARY read the notice convening the meeting.

The CHAIRMAN said: Gentlemen—With your permission I will take the report and accounts as read, and in presenting them to you for adoption I regret that they show an appreciable diminution in the net return on the past year's working. As you are aware the Company's property consists of two lots of land in Kowloon, on one of which is built a block of sixteen houses known as Knutsford Terrace, and on the other, a block of three houses called Canton Villas. In Knutsford Terrace we have had for a little time six of the houses vacant, although we have been prepared to accept lower rentals than have been obtainable for some years. This is no doubt accountable for by the large number of cheaper houses rented nearer the Ferry Wharf, but your Directors confidently hope that with an increase of the European population in Kowloon our property may again yield the same returns as it has in the past, though some little time will possibly elapse before this takes place. The three houses in Canton Villas are fully occupied. The net returns for the year have consequently been about \$5,500 lower than that for 1906 which will only enable us to pay a dividend of \$1.75 per share. Notwithstanding this falling off in the revenue, which we hope and believe is only temporary, your Directors feel satisfied that our assets are more than worth the sum they stand at in our books. If any shareholder wishes for further information I shall be pleased to give it.

There being no questions, the CHAIRMAN moved the adoption of the report and accounts, as presented.

Mr. MACHADO seconded, and the motion was carried.

The appointment of Messrs. T. F. Hough and H. Pinckney as directors was confirmed on the motion of Mr. NORTHCOTE, seconded by Mr. MACHADO.

Mr. MACHADO proposed the re-election of Messrs. Hough and Pinckney as directors.

Mr. SHEPHERD seconded, and the motion was carried.

Mr. C. W. May was re-elected auditor on the motion of Mr. SHEPHERD, seconded by Mr. MACHADO.

The CHAIRMAN—Dividend warrants will be ready to-morrow, gentlemen; many thanks for your attendance.

THE HONGKONG ICE CO., LTD.

The twenty-seventh annual report reads:—The General Managers have pleasure in submitting a statement of the Company's accounts for the year 1907.

Including \$4,361.46 brought forward from the previous year, and after deducting \$20,000 paid as an interim dividend of \$4 per share, the balance at credit of profit and loss account is \$117,578.41 which it is recommended should be appropriated as follows:—

A final dividend of	
\$15 per share, 75,000 00	
Provision for contingencies, 15,000 00	
To write off property a/c, 23,000 00	
To carry forward, 4,578.41	
	\$117,578.41

JARDINE, MATHESON & CO., LTD.,
General Managers.

Hongkong, 21st February, 1908.

BALANCE SHEET 31st December, 1907.

	LIABILITIES.	\$ c.
Capital, 5,000 shares of \$25 each	125,000.00	
Accounts payable	13,413.55	
Ammonia reserve account	8,822.75	
Provision for contingencies	105,000.00	
Profit and loss account	117,578.41	
	\$ 369,814.71	
	ASSETS.	\$ c.
Land, buildings, plant and machinery as per last account	174,475.35	
Less written off per last report	24,475.35	
	150,000.00	
Hongkong fire insurance Co. share, as per last account	225.00	
China fire insurance Co. share, as per last account	85.00	

Canton Insurance office share, as per last account,	120.00
Launch, 1st instalment of cost	5,725.00
Cash in hand,	1,119.03
Hongkong and Shanghai bank on current account,	31,320.64
Hongkong and Shanghai Bank on deposit	85,300.00
Mortgages	86,000.00
Outstanding accounts	7,652.00
Account receivable	1,359.18
Ice in stock	110.00
Coal in Stock	600.00
Fire Insurance, unexpired premium	128.00

PROFIT AND LOSS ACCOUNT

For the Year ended 31st December, 1907.

To General Managers' Commission	2,000.00
To Auditor's fee	150.00
	2,150.00
To Interim Dividend of 16 per cent paid on 1st August, 1907	20,000.00
To Balance	117,578.41
	\$ 139,728.41
By Balance brought forward from last year	4,361.46
By Ice sales and cold storage charges, less working expenses	123,868.74
By rents received (less Crown rent and Taxes paid)	2,106.51
By interest and dividends	9,281.67
By transfer fees	17.00
	\$ 139,728.41

THE CHINA FIRE INSURANCE COMPANY LTD.

The report for presentation to the shareholders at the thirty-ninth ordinary meeting to be held at the Company's Offices on March 5th reads:—

The Directors have now the pleasure to submit their annual report and statement of the Company's accounts made up to 31st December last.

1906.—The balance at credit of working account as per last report was \$362,980.65
Add premia since received 36,718.14
\$399,698.79

Deduct claims paid in 1907 ... 186,601.73
Deduct return premia, &c., &c. ... 22,735.09
209,336.81

Balance of profit... \$190,361.97

It is proposed to apportion this sum as follows:—

Dividend of \$6 and bonus of \$2 per share on 20,000 shares ... \$160,000.00
To add to extra reserve fund, which will then stand at \$346,097.75 ... 25,618.10
Bonus to Office Staff ... 4,713.87

\$190,361.97

1907.—The balance at credit of working account at the close of this year was \$372,432.78 which is a satisfactory increase compared with the previous report.

DIRECTORS.

Messrs. D. M. Nissim, N. A. Siebs, E. Gutz, G. Balloch and A. Haupt resigned their seats on leaving the Colony and Messrs. E. Shellim, A. Fuchs, W. Helms, H. W. Slade and G. Friesland were appointed to fill the vacancies. These appointments will require the confirmation of shareholders.

Messrs. Shewan and Slade retire by rotation, and, being eligible, offer themselves for re-election.

AUDITORS.

Messrs. W. Hutton Potts and A. R. Lowe have audited the annexed accounts and offer themselves for re-election.

R. SHEWAN,
Chairman.

WORKING ACCOUNT.

Dr. 1st January to 31st December, 1907.	
To Charges Account:—	
Rent, salaries, legal & surveyors' fees, taxes, stamps, stationery, &c.	\$48,723.31
Directors' & Auditors' fees	7,400.00
	56,123.31
To Commission account:—	
Agents' commissions	63,988.91

To Exchange account:—	
Difference in exchange	2,445.81
To losses account 1907:—	
Claims after deduction of re-insurances	100,538.57
To amount written off:—	
Furniture account	81.10
To balance	372,432.78
	\$395,623.53

Cr.	
By premium account:—	
Premiums after deduction of re-insurances	412,222.60
By interest account:—	
Amount at credit, including interest due on deposits and investments, &c.	153,302.84
By transfer fee account:—	
Amount at credit	98.09
	\$395,623.53

BALANCE SHEET, 31st December, 1907.

LIABILITIES.	\$	cts.
Capital account	4,000,000.00	
Reserve fund	1,400,000.00	
Extra reserve fund	346,097.75	
Investment fluctuation account	13,822.60	
Accounts payable:—		
Dividend for 1906	\$160,000.00	
Losses outstanding and sundries	75,127.10	
	235,127.10	
Working account, 1907:—		
Balance at credit	372,432.78	
	\$1,964,535.34	
ASSETS.	\$	cts.
Cash at bankers	59,969.67	
Fixed Deposits at Bankers:—		
Hongkong and Shanghai Banking Corporation	\$196,601.42	
Chartered Bank of I. A. & C.	30,000.00	
Mercantile Bank of India, Ltd.	20,000.00	
International Bankg. Corpn.	25,000.00	
	271,601.42	
Investments:—		
Chinese Imp. Govt. E. Bonds	\$65,454.39	
Hongkong Club debentures	30,800.00	
Hongkong Hotel Co., Ltd. debentures	50,000.00	
Shanghai Land Investment Co., Ltd. debentures	49,877.40	
Shanghai Waterworks Co., Ltd. debentures	8,472.22	
Shanghai Club debentures	6,586.62	
Shares in Public companies	145,610.00	
	356,830.63	
Loans on mortgage:—		
On properties in Hongkong	\$1,130,300.00	
On properties on Shamen Canton	97,000.00	
	1,227,300.00	
Furniture account:—		
Office furniture, &c.	759.00	
Accounts receivable:—		
Premia due from agencies, interest due on deposits and investments, &c.	141,945.51	
	\$2,367,460.24	

THE HONGKONG MILLING CO., LD.

The report of the Directors, to be presented at the third ordinary general meeting to be held at the Company's Offices, King's Building, Connaught Road, on March 7th reads:—

The Directors beg to submit to the shareholders the report and statement of accounts to 31st December, 1907.

After paying running expenses, Directors and Auditors' fees, commissions and all other charges, the profit amounts to ... \$161,262.76

From which has to be deducted the balance at debit of Working Account at 31st December, 1906 ... \$77,034.57
And Preliminary Expenses, now written off ... 1,472.10
78,506.67

Leaving a balance of ... \$82,756.09 which the Directors propose to carry forward to credit of new account

This profit was gained in a little over eleven months' working, as the Mills did not start running until the end of January, 1907.

The Diesel engines and milling machinery are in perfect condition. During the year the Company purchased a launch and two lighters.

A plant for the manufacture of ice is in course of erection, and a contract has been entered into for the sale of 21 tons of ice per day for 10 years on very advantageous terms to the Company. The plant will be in working order early in April.

The Directors also have under consideration the question of the establishment of an aerated water factory.

Mr. D. M. Nissim having resigned his seat on the Board on leaving the Colony, Mr. E. Shellim was invited to fill the vacancy; Mr. A. J. Raymond has also resigned his appointment for the same reason.

The accounts have been audited by Mr. H. Percy Smith, who offers himself for re-election.
A. H. RENNIE,
Chairman.

Hongkong, 19th February, 1908.

BALANCE SHEET 31st DECEMBER, 1907.

LIABILITIES.	\$	cts.
Capital: 10,000 shares of \$100 each, fully paid	1,000,000.00	
Outstanding sale	498,382.28	
Sundry creditors		
On bills payable	\$1,305,436.67	
On open account	77,960.30	
	1,383,396.97	
Profit and loss account	82,756.09	
	\$2,964,535.34	
ASSETS.	\$	cts.
Mill site, lands, mill buildings, godown buildings, residences, roads, piers and dams	508,144.58	
Machinery and plant	341,474.10	
Miscellaneous tools, gear and lumber	16,848.27	
Launches, lighters, hulk and moorings	96,746.85	
Furniture	5,924.61	
Unexpired insurance	2,446.59	
Sundry debtors	380,543.25	
Cash on hand and at bank	6,519.64	
Stock on consignment	55,619.58	
Stock on hand	1,514,257.87	
	\$1,964,535.34	

PROFIT AND LOSS ACCOUNT.

April, 14th, 1906, to December 31st, 1907.

Dr.	\$	cts.
To expenses incidental to establishment of business	5,026.75	
To fire insurance	4,885.08	
To advertising	4,175.57	
To telegrams	1,209.91	
To general expenses	6,101.54	
To typhoon damages	3,369.90	
To profit, carried below	161,262.76	
	\$186,421.50	
Cr.		
By amount at credit of working account	\$184,838.50	
By interest	1,583.00	
	\$186,421.50	
To balance of working account at 31st December	77,034.57	
To preliminary expenses	1,472.10	
To balance	82,756.09	
	\$161,262.76	

Profit, brought down ... \$161,262.76
\$161,262.76

THE HONGKONG FIRE INSURANCE COMPANY, LIMITED.

The report for presentation to the Shareholders at the thirty-ninth ordinary meeting, to be held at the offices of the General Managers, on March, 10th reads:—

The General Managers and Consulting Committee have pleasure in submitting to the Shareholders the thirty-ninth annual report of the Company.

1906 Account.—This account shows a profit of \$283,457.65 which sum, subject to the approval of the shareholders, it is proposed to deal with as follows, viz:—

Dividend of \$27 per share, ... \$216,000.00
Addition to reserve fund, ... 67,457.65
\$283,457.65

1907 Account.—The balance at credit of this account is \$428,027.42.

Mortgages.—From the reports and valuations made by the Company's Surveyors, the General Managers and Consulting Committee are satisfied that the properties held by the Company form ample security for the advances made.

Consulting Committee.—Mr. Raymond resigned his seat on account of his approaching departure from the colony and Mr. C. S. Gubbay has been invited to fill the vacancy; his

appointment requires the confirmation of shareholders. In accordance with Section 13 of the Articles of Association, the Hon. Sir Paul Chater, C.M.G., Messrs. White and Maitland retire, but being eligible, offer themselves for re-election.

Auditors.—The accounts have been audited by Messrs. W. Hutton Potts and H. Percy Smith, F.C.A.

JARDINE, MATHESON & Co., Ltd.,
General Managers.
Hongkong Fire Insurance Co., Ltd.

BALANCE SHEET, 31st December, 1907.

Dr.	LIABILITIES.	\$ c.
Capital 8,000 shares of \$250 each—	\$2,000,000.00	
of which \$50 per share has been paid up	400,000.00	
Reserve fund	1,256,483.81	
Uncollected dividends	13,905.05	
Accounts payable	41,697.93	
Working account, 1906.—		
Net profit	283,457.65	
Working account, 1907.—		
Amount brought forward from below	428,027.12	
	<u>\$2,425,571.96</u>	

Cr.	ASSETS.	\$ c.
Cash, on current account with Hongkong and Shanghai Banking Corporation	1,855,558.58	
Cash in hands of general managers	1,338.87	
Fixed deposits,—		
Hongkong and Shanghai Banking Corporation	\$50,000.00	
Chartered Bank of India, Australia and China	50,000.00	
Mercantile Bank of India, Limited	25,000.00	
	<u>125,000.00</u>	

Mortgages,—		
In Hongkong	\$1,127,716.66	
In Shanghai	656,007.24	
	<u>1,783,723.90</u>	

Japanese Government deposit,—		
Consolidation bonds	\$19,277.51	
Imperial bonds	\$5,376.22	
War bonds	17,791.62	
	<u>\$2,148.41</u>	

Chinese Imperial Government loan, 1887	\$23,277.78	
Shanghai Land Investment Company, Limited, debentures	27,596.20	
Shanghai Club debentures	26,066.67	
Hongkong Hotel Company, Limited, debentures	52,000.00	
	<u>129,460.65</u>	

Accounts receivable	195,433.55	
	<u>\$2,425,571.96</u>	

WORKING ACCOUNT, 1906.

Losses and claims,	\$ 156,242.46	
Charges,	41,340.7	
Remuneration to Consulting Committee and Auditors,	5,500.00	
Commissions,	47,875.25	
Balance as above,	<u>283,457.65</u>	

\$ 536,453.43

Net premia received, less returns and reinsurance,	\$ 386,743.74	
Interest,	149,102.95	
Transfer fees,	67.10	
Exchange,	491.74	
	<u>\$ 536,405.43</u>	

WORKING ACCOUNT, 1907.

Losses and claims,	\$ 44,896.57	
Charges,	32,483.34	
Commissions,	48,503.30	
Balance as above,	<u>428,027.12</u>	

\$ 553,910.63

Net premia received, less returns and reinsurance,	\$ 387,209.80	
Interest,	161,268.3	
Transfer fees,	102.00	
Exchange,	5,330.53	
	<u>\$ 553,910.63</u>	

THE LAOU KUNG MOW COTTON SPINNING AND WEAVING CO., LD.

The fourteenth ordinary meeting of the Laou Kung Mow Cotton Spinning and Weaving Co., Ltd. was held at Messrs. Ilbert and Co.'s offices, Shanghai on February 18th, Mr. F. Anderson presiding. In moving the adoption of the report and accounts for the past year, the chairman said that the local yarn trade had been disappointing throughout the year; a large portion of the production was formerly sold locally for the manufacture of native goods for shipment to Manchuria, but ever since the end of the Russo-Japanese war trade with that market had been under a cloud. They were

waiting patiently in the hope that the impediments would be removed and that trade would partially at least return to its former channels. Mr. Anderson also made some remarks on China's industrial interest. The local business for yarn throughout the year was rather disappointing, indeed it has been disappointing for several years back—ever since the Russo-Japanese War. Formerly the bulk of our yarn was sold locally for the manufacture of native goods which were exported to Manchuria, but for some time back trade in that market has been under a cloud and we are still waiting patiently in the hope that the impediments which have been made will be removed and that trade will partially at least return to its former channels. Under the circumstances it has been necessary for us to push the sale of yarn in other markets where we came into direct competition with Indian and Japanese yarn. In that direct competition we are unfavourably situated inasmuch as we have to pay heavy likin taxation on our raw material and in addition excise on our manufactured yarn, whereas Indian and American cotton is procurable by our competitors in India and Japan duty free. It is really astonishing how very short-sighted the authorities in China are to the advantages to be gained from fostering industrial development. The duty which we pay on our yarn added to the excise on cotton is a very much heavier charge than our competitors have to pay in their import duty. We have again made representations on this subject to the Imperial Maritime Customs and also to the local authorities, but so far all our appeals have been in vain and we can only hope that as time goes on the authorities will take a more enlightened view of the question and when they do so local industry will benefit by the charge. We have not asked in these representations for entire freedom from taxation, but what we have asked, and what I think was a reasonable thing to ask, was that the taxation—likin taxation—paid on the raw material should be taken into consideration in giving us a rebate for the taxation of yarn. If the authorities would meet us to that extent it would materially assist cotton spinning in China.

The report and accounts were adopted, Messrs. Michelan and Cheng Liang-yue were re-appointed directors, Mr. Wingrove was re-elected auditor and it was resolved to hold the next general meeting during either February or March, 1908.

THE SHANGHAI PULP AND PAPER CO., LD.

The ordinary general meeting of shareholders in this company was held at Shanghai on Feb. 18th. Mr. C. E. Roach presided, and said: Gentlemen—In submitting the annual report and accounts for the past year I propose to adopt the usual course of taking them as read. Detailed statements of accounts for the year are on the table for your inspection, but before asking you to pass the same I wish to make a few general remarks. During the year the mill has been running regularly day and night, and I am pleased to say continues to be kept in perfect order. During the year under review we have experienced very severe competition; the very high exchange allowed paper to come from Japan and the European Continent at very low prices. The Imperial Chinese Paper Mill of this Port, with a plant similar to ours, started manufacturing early in July and offered their product at considerably below cost. We are informed that they closed down on December 31 for an indefinite period. The demand for wrapping paper is largely dependent upon the piece-goods trade, the paper being used to a great extent for wrapping of piece-goods, and as every one is aware the piece-goods trade has been very stagnant all the year; the result has caused us to accumulate a large stock of paper. It is only natural that your Directors feel quite concerned about the showing for 1907, but hope that this state of affairs may only be of a temporary nature, and that, with the revival of trade generally we may again show the same results we have hitherto done. We cannot make good trade where a general stagnation of business exists. Everything possible has been done by all concerned, and the report presented is the best that could be done. Before

formally moving the adoption of the report I should be pleased to answer any questions.

In reply to Mr. Webster the chairman said that the mill was temporarily shut down this month, as some slight repairs were being done.

No other questions were asked and the following propositions were carried unanimously:—

Proposed by Mr. C. E. Roach, seconded by Mr. Chu Pao san that the reports and accounts as presented be passed.

Proposed by Mr. E. S. Little, seconded by Mr. A. Chamond, that this Meeting of Shareholders, confirms the election of Messrs. V. Meyer and J. R. Patterson as members of the Board of Directors.

Proposed by Mr. A. Fabre, seconded by Mr. A. Chamond that Mr. G. Willeunier be re-elected Auditor of the Company for 1908.

Proposed by Mr. C. E. Roach seconded by Mr. Chu Pao-san that taking into consideration the present unfavourable conditions the Directors' fees be reduced for the year 1908 from Tls. 600 to Tls. 300 per annum.

The Chairman thanked the shareholders for their attendance and the meeting ended.

PROFIT AND LOSS ACCOUNT.

For year ending December 31, 1907.

Dr.	Tls.
Plant repairs	7,108.65
	<u>7,108.65</u>

Cr.

Balance from 1906 account	Tls. 3,354.82
Less bonus paid	Tls. 1,000.00
Working account 1907	1,138.11
Balance	<u>3,615.75</u>
	<u>7,108.65</u>

BALANCE SHEET December 31, 1907.

ASSETS. (Cents Omitted.)

Dr.	Tls.
Mill plant	364,909
Straw mill plant	22,342
Mill dwellings	19,655
New finishing room	5,620
New paper machine account	2,677
Accounts receivable	97,959
Mill stores	37,248
Pulp stock	6,817
Paper stock	252,979
Steam launch	3,500
Unexpired Fire Insurance Premium	2,787
Furniture, fixtures and stationery	2,400
Balance profit and loss account	<u>3,615</u>
	<u>822,511</u>

Tls. 822,511

LIABILITIES.

Cr.

Capital, authorized 6,000 shares at Tls. 100 each	Tls. 600,000
Issued 4,557 shares at Tls. 100 each	455,700
Reserve account	45,000
Accounts payable	56,506
Russo-Chinese Bank	265,304
	<u>822,511</u>

Tls. 822,511

Shanghai, January, 29th, 1908.

V. MEYER
J. R. PATTERSON
CHU PAO-SAN } Directors.

C. E. ROACH,
Managing Director.

SHANGHAI LAND INVESTMENT COMPANY, LD.

The annual meeting of shareholders in the Shanghai Land Investment Co., Ltd., was held on Feb. 19th.

The Chairman (Mr. E. Venner Hogg) said:—I presume that we may take the reports and accounts, which have been in your hands for some time, as read. I think that they must have afforded you satisfaction, showing as they do that we are able to offer you the same rate of dividend as last year as well as a bonus of Tls. 2 (which is half a tael more than in 1906.) This return is of course on the increased capital now standing at Tls. 3,900,000. The addition capital has enabled us to extend our business profitably in the present and has provided for extensions which I

hope will prove remunerative in the future. We propose to carry forward the substantial sum of Tls. 107,541.50 to the next account, which leaves us in a strong position for the present year. Our rental account has increased by the very satisfactory sum of Tls. 54,000 while repairs etc., account has not been subjected to the "extraordinary charge of last year and is less than in 1906 by about Tls. 20,000, but our properties are all well kept up; gradual improvement of the various estates being secured by our doing all structural repairs in a substantial manner, which though more expensive in the beginning is the best economy in the long run. Interest account is the difference between what we pay on debentures and overdraft and the receipts from our mortgages and shows a satisfactory balance, as our mortgages are very liberally covered. Of the other side of working account there is little need of explanation. There is a small increase in charges, salaries and rental, resulting from our growing business. The trustees' remuneration is slightly added to in respect of a further debenture deed drawn up to cover the last issue of debentures. In profit and loss account you will find that during the year we have sold certain properties on which we have considered it desirable to realize, giving profits amounting in all to Tls. 136,583.41. Reserve fund stands in the accounts at Tls. 869,493.51 and as we propose to add now the amount of premiums derived from the recent issue of capital—Tls. 653,552.21—it will then reach the sum of Tls. 1,523,045.72 or nearly forty per cent of our present capital. The reserve fund special account remains as before at Tls. 170,000 and is as you know available at any time when required for equalization of dividends. In the balance sheet you will find the cost of our several properties with the additions thereto during the year. Our mortgages, amounting to Tls. 2,704,141 are, as I have already said, very fully covered. On the other side of the account is shown our capital increased by the last issue to Tls. 9,900,000 and we have added Tls. 112,000 to our issue of six per cent debentures. We shall probably issue a further instalment shortly. We have expended during the year about:—Tls. 418,000 on undeveloped land, 413,400 on new buildings, 17,800 on land and buildings together and have every reason to be satisfied with these investments. As to the future I can pretty nearly repeat my remarks of a year ago and what I said then has been quite borne out. We have several properties that will commence or increase their earnings this year and there is every reason to believe that a year hence we shall be able to lay before you a no less satisfactory report than that which we have presented to you to-day.

There were no questions, and the following resolutions were put to the meeting and carried unanimously:—

That the report and accounts as presented be accepted and passed.—Proposed by the Chairman, seconded by Mr. J. M. Young.

That the directors be authorized to pay a final dividend for the year 1907 of six per cent and a bonus of four per cent on the paid up capital to all shareholders on the register this day.—Proposed by the Chairman, seconded by Mr. C. W. Wrightson.

That Mr. H. R. Kinnear be re-elected a director of the Company.—Proposed by Mr. Dallas, seconded by Mr. Sayer.

That Mr. G. R. Wingrove be re-elected auditor for the ensuing year.—Proposed by Mr. McLeod, seconded by Mr. Crawford Kerr.

That a bonus of ten per cent on their salaries be paid to the staff.—Proposed by Mr. Tripp, seconded by Mr. Crawford Kerr.

THE SOY CHEE COTTON SPINNING CO., LD.

The General Manager publishes the following statement of accounts for the twelve months ending December 31, 1907.

The Directors regret the unfortunate result of the year's working, but it must be borne in mind that prices of yarn have fallen approximately Tls. 10 to Tls. 12 per bale since the beginning of 1907, as a consequence of which several of our customers had to suspend payment, and the Company were obliged to resell the yarn at a corresponding loss, which aggregates Tls. 27,756.52. As the outlook was very

gloomy all through the summer, the mill was put on reduced production thereby naturally somewhat increasing the cost of production per bale.

The balance at credit of profit and loss account at the close of the year after allowing for interest, Directors' and Auditor's fees, and General Manager's commission, amounts to Tls. 26,129.27, which the Directors propose to deal with as follows:—

To write off 2½ per cent for depreciation of machinery	17,153.04
" write off 10 per cent. for depreciation of furniture	236.50
" write off 2½ per cent. for depreciation of buildings	6,791.99

absorbing altogether Tls. 24,231.58

leaving a balance of Tls. 1,897.74 to be carried forward to new account.

BRITISH AND FOREIGN BIBLE SOCIETY.

HIS EXCELLENCY ON THE SCRIPTURES.

A public meeting, in furtherance of the interests of the British and Foreign Bible Society in Hongkong, was held in the City Hall last evening when H.E. the Governor presided over a good attendance. Sir Frederick was accompanied on the platform by the Bishop of Victoria, the Ven. Archdeacon Banister, the Revs. T. W. Pearce, C. H. Hickling, F. T. Johnson, C. Bone, G. H. Bondfield of Shanghai (agent in China of the British and Foreign Bible Society) and Mr. Hans Doering of Canton (sub-agent). After the opening exercises the Rev. T. W. Pearce called attention to the literature setting forth the objects of the promoters of the meeting.

HIS EXCELLENCY addressed the meeting. He said: Ladies and gentlemen—I have been asked to propose the following resolution: "That this meeting of subscribers and friends in Hongkong of the British and Foreign Bible Society hereby inaugurates a Hongkong auxiliary of the British and Foreign Bible Society and requests the following gentlemen to serve as officers of the auxiliary—Perpetual President, the Bishop of Victoria; hon. treasurer, Dr. Saunders of the Taylor Hospital; and hon. secretary, the Rev. T. W. Pearce." There are gentlemen on the platform including the Bishop of Victoria who are much more able to speak than I am on the objects of this Society and the means by which it proposes to achieve those objects, so I shall not trouble you with a long speech and curtail the opportunities of the other speakers in making a full exposition of the subject. The object of the Society is, as you know, to translate the Bible into every known language spoken and distribute it in every part of the world. The Bible Society has been instrumental in translating it into over four hundred different languages and it distributes yearly, as I see from the report, over two million copies throughout the world. I remember some time ago a conversation in which the point was discussed whether if you were wrecked on a barren island or if you found yourself fated to spend an Arctic winter alone and you had to be content with one single book, what book would you prefer. One said Shakespeare, another said Adam Smith, and others made other selections, but the best and most widely read man said the Bible. And it is, ladies and gentlemen, an absolutely unique book, a book of unique historic interest. If you look at the majestic simplicity of the story of the evolution of the earth from chaos as told in the first chapter of Genesis, a description which science has only tended to corroborate in all its important essentials,—if you turn then to the history of the Hebrew nation from the time of the patriarch in the desert watching his flocks and herds, through the period of the judges, through the period of the kings, and call to mind some of the extraordinarily interesting stories which are told of that period—take for instance the description of Elijah on Mount Carmel, or the death of Ahab at Ramoth Gilad, I think there are no stories which if we have heard a thousand times thrill us with the vividness of their diction and graphic description as the old wonderful stories of the Old

Testament. Then we turn to the Psalms with the sweet melody which they contain, the poetic imagery and their depths of human emotion—that psalm for instance—expressing the depths of despair beginning "My God, my God, why hast thou forsaken me." Then again the contented mind that the Psalmist speaks of in the beautiful little ode "The Lord is my shepherd, I shall not want. He maketh me to lie down in green pastures. He leadeth me beside still waters." Then again he bursts into thanksgiving and praise in that psalm which has the refrain running through it "All ye creatures praise ye the Lord, praise Him and magnify Him for ever." I think you can find in no other book words which so stir the human imagination and bring a response from every human heart. Then we go on to the other books. Take the rugged poetry of Isaiah "Every one that thirsteth come ye to the waters." Then again that familiar chapter that we know so well as an oratorio "Comfort ye, comfort ye, my people, saith the Lord." Then again the image which I and others who have been in desert places in Africa can realise so well, "the shadow of a great rock in a weary land, a cover from the tempest, as rivers in a desert country." Then we come to that wonderful book of Job which I think is the most marvellous book in this earth, a book which teaches the acceptance of the great laws of nature and the laws of God, and the impotence of man which tries to set up his will against them. "Canst thou bind the sweet influences of the Pleiades or loose the bonds of Orion." And then we pass to the book of Ecclesiastes, a book full of wisdom and pathos, especially that last striking chapter, the twelfth, with its wonderful symbolism and phases of human life, winding up at the end with "When the silver cord is loosened and the golden bowl broken when the voice of the grasshopper is a burden." Then we come to the New Testament, only about a quarter of the whole volume, and we recall that quarter contains the teachings which have revolutionised the earth teachings which have spread from east to west and have permeated the whole great continent of America and which by the agency of societies like this is being spread to every corner of the earth where human species are found. Can any creed boast of a preface to rival the simplicity of diction, the forcible and clear statement of the Sermon on the Mount, the life and death of Christ, or that story of the Acts of the Apostles, the incisive and acute reasoning of St Paul and its extraordinary diversity of interest. It is indeed, ladies and gentlemen, a unique book a book of books, the book from which we have taken the name of this Society. If I dwell on the value of the Bible from its literary and historic point of view it is not that I lose sight of the fact that these are not merits over which this Society spends a quarter of a million a year in distributing the Bible. I have not myself dwelt on the other side, that is to say that it contains foundations and is the fountain and source of the Christian religion and the object of the society is to promote that religion. I have left that side because there are gentlemen on this platform who can speak with greater weight and more ability than I can on that side of the subject. I have been asked to propose this resolution and I do so with confidence as I think the Bible Society is one we can support as being among other things a non-sectarian society, but I would like to say one word of warning. I read in the report that many thousand copies of the Bible have been distributed in China, the cost price of which is two shillings and the selling price sixpence. The cost of production includes the cost of printing, etc., I have heard, but I hope there is no truth in that report, that copies have been sold at less than cost price, at less than the commercial market value of the material which they contained. There will be a subsequent resolution appointing a committee and I would urge the gentlemen elected to pay attention to that point. The Bible should not be sold at less than the cost of the material of which it is composed. I will not detain you longer but will ask the Rev. Mr. Bondfield to second the resolution.

Rev. G. H. BONDFIELD said the Society's object was to translate the holy scriptures into all languages and to distribute them amongst all peoples. The Society had been engaged in its work for over 100 years. The matter of the price, mentioned by His Excellency, had engaged attention for many years. The question of the price was fixed by local considerations, but they had, practically a uniformity of price throughout the great Empire.

The BISHOP OF VICTORIA moved: (1) That all ministers of religion, resident in the Colony, who subscribe to the support of the British and Foreign Bible Society, and the following representative laymen, be asked to form with the officers already elected the General Committee of the Auxiliary:—W. G. Humphreys, J. M. Beck, Dr. Atkinson, Mr. G. Piercy. (2) That the General Committee appoint, annually, two of its members to be vice-presidents and two others to serve as representatives of the Auxiliary on the Joint Depot Committee. (3) That the following ladies nominated by the local churches be asked to form the Ladies Committee of this Auxiliary for the year 1908. That the Ladies Committee have power to add to its number, and that it appoint its own secretary and collectors:—St. John's Cathedral, Mrs. Tooker and Miss Stewart; Union Church, Mrs. Auld; St. Peter's Church, Mrs. Piercy; St. Andrew's Church, Mrs. Maine; Wesley Church, Mrs. Browne; German Church, Miss Von Weichmar. With two additional members of the Ladies Committee to be nominated by the Hongkong Missionary Association at its next meeting. (4) That an annual meeting of this Auxiliary be held not later than the end of March in each year, for the purpose of receiving reports and advocating the claims of the British and Foreign Bible Society. His Excellency had told them what a grand book the bible was and he trusted that soon every Chinese lad and Chinese girl in the Colony should have a definite education in the bible.

Mr. HANS DORRING seconded the resolution, and a vote of thanks to his Excellency the Governor for presiding, moved by Rev. C. H. HICKLING, and seconded by Archdeacon BANISTER ended the proceedings.

CORRESPONDENCE.

THE CHAMBER OF COMMERCE MEETING.

[TO THE EDITOR OF THE "DAILY PRESS".]

SIR,—I feel sure that all those who are interested in the Bombay Trade will have read with pleasure the notice of the Chamber of Commerce, to the effect that it is proposed to increase the number of the Committee by one member, who is to represent the Bombay Trade.

Considering the volume of the trade between Bombay and this port, a trade which represents more than half in value of all the rest of the Colony's trade put together, it seems strange that hitherto it has not been represented on the Committee of the Chamber of Commerce, and the action of the present Committee to rectify this omission will no doubt be fully appreciated by those merchants whose large and valuable interests will now be adequately represented.

As I have said, the trade is a most important one to this Colony, amounting annually to millions of dollars, particularly that portion of it known as the Yarn Trade. How vital to the Colony's prosperity the Yarn Trade is, I need only recall the crisis through which this trade passed some eighteen months ago, when every other trade suffered in sympathy. I merely mention these facts in order to show what great care will have to be exercised in choosing the right man. It is not to be doubted that the Committee, with their long and ripe experience, after taking the sense of the various Indian firms, will make a good choice.

What, however, I would take the liberty to urge is that the choice should not be made according to "de Custom," but due weight be given to the qualifications of the member selected.

To my mind, and speaking with an experience of some twenty years in the Indian trade, I should say the one man who stands out pre-eminently as the fittest for the seat on the Committee, would be Mr. A. J. David, of Messrs. S. J. David and Co.

This gentleman has had a wide and varied experience in the Indian trade, having been the senior resident partner of his firm in China and Japan for over twenty years. His firm in Bombay, Messrs. Sassoon, J. David and Co., are large mill-owners, while his brother, Sir Sassoon David, is not only a director of a great number of other mills, but is Chairman of the Mill-owners' Association, and whose voice carries great weight in the councils of that Association.

It is, of course, well-known that Mr. A. J. David's firm has been the largest importers of Indian yarn for the past twenty years. As showing the leading position this firm holds the question of the storage of yarn in the Godown Company's godown at Kowloon, a most important one for that Company, was brought about by the initiative of Mr. David. It required no small amount of courage to take the initiative in this matter, when it is remembered that the Chinese dealers had been accustomed for years to take deliveries from this side of the harbour, and whose prejudices against any change had to be most carefully considered. I merely mention this incident in the history of the yarn trade to show the grasp of affairs, of which Mr. David gave ample proof on that occasion, a qualification, I fear, possessed by few others.

I think I voice the feeling of the majority, if not all, of the Indian merchants when I say that it will afford them great satisfaction to see Mr. David on the Committee, and in proof of this, I may only cite one instance to show how he is regarded by all the merchants engaged in the Indian trade, and that is, that during the crisis of 1906, when he was, unfortunately for all concerned, absent from the Colony, all the foreign merchants and all the Chinese dealers concerned unanimously agreed to come to no decision regarding the proposals made, pending the arrival of Mr. David.

In thus advocating the choice of the gentleman mentioned, I should like to be permitted to add that I have no personal interest to serve nor have I any connection whatever with Mr. David's firm. My only interest is in common with that of all the other Indian merchants, and that is, that the man most qualified for the seat should be chosen.—I am, etc.,

INDIAN.

Hongkong, 22nd February 1908.

CHAMBER OF COMMERCE AND BOMBAY TRADE.

[TO THE EDITOR OF THE "DAILY PRESS".]

Hongkong, 25th February, 1908.

SIR,—I have read with much interest "Indian's" letter in your valuable columns of yesterday, but I am sorry I cannot agree with him on several points.

In my opinion, the representative of Messrs. David Sassoon and Co. Ltd., (a firm which has been established in China before Hongkong was ceded to the British) has decidedly in the course of his business career with such exceptional advantages of gaining a thorough knowledge of the intricacies of the Indian trade, a prior and better claim to be appointed on the Committee of the Chamber than anybody else.

Mr. Shellim was at one time a municipal councillor as well as a member of the Shanghai Chamber of Commerce Committee and it goes without saying that he would not have been offered these positions unless the Shanghai community had every confidence that he was well qualified to safeguard their interests. Therefore should a man of Mr. Shellim's wide experience and business acumen be elected, I am sure no question affecting the Indian trade would be in a safer and surer hands.

The general volume of trade passing through this firm's hands greatly exceeds that of the firm named by "Indian" and this fact is patent to any merchant of repute in this Colony. Your correspondent has further remarked about the storage of yarn at Kowloon. As a matter of fact this arrangement was brought about by

some of the Directors of the Kowloon Wharf and Godown Co. and not by any individual firm!

"Indian" is misinformed when he says that the majority of the Indian merchants are in favour of Mr. David's election. If Mr. "Indian" would only take the trouble to inquire of these Indian merchants he would speedily be disillusioned and he would find that almost all of them would be very pleased to see Mr. Shellim elected.

The firm which Mr. Shellim represents is not only interested in the Indian trade but is also one of the largest property owners in this Colony besides being interested in the shipping trade. In almost all questions that had always arisen from time to time concerning the Indian trade, Messrs. David Sassoons have always taken the initiative and I am sure that for this reason alone, if not for any other, all the merchants doing trade with India will be pleased if the able representative of one of the oldest and pioneer firms in the Far East as the Sassoons, is elected a member of the Chamber of Commerce Committee.—I am, Sir, Yours faithfully,

"FACTS."

MR. SHELLIM ELECTED.

The foregoing letter was in type before we learned that Mr. Shellim had been actually selected by the committee of the Chamber of Commerce. As it sets out the reasons for the Chamber's choice, and Mr. Shellim's claims and qualifications, we think it as well to publish it. There is no room for controversy now, and we hope that the Bombay traders will all endorse the choice and support the chosen.

SHORTHAND IN HONGKONG.

The certificates won at the first examination conducted by the new shorthand committee for Hongkong, together with theory certificates gained apart from the committee, were presented at St. Joseph's College yesterday afternoon by Lady Lugard. Mr. E. D. C. Wolfe, chairman of the committee, presided, and there were present His Lordship Bishop Pizzoni, Consul-General Romano, Mr. A. J. Brackenbury, Mrs. Justi, the Very Reverend Father D. Maris, Pro-Vicar Apostolic, the Rev. Father Augustine, military chaplain, and others.

The CHAIRMAN extended a very hearty welcome to Lady Lugard for kindly consenting to attend that first distribution of speed certificates since the new committee was appointed, and also for kindly agreeing to present the three speed certificates won at the examination. Two of the certificates were for notes taken at the rate of 80 words per minute and transcribed, and one certificate was for 80 words per minute with transcription. Her Excellency had also consented to present other certificates, two full certificates of proficiency and several other certificates for theory. As they were all aware, the speed committee had only been recently appointed and had held one examination. As a result of that examination the three certificates which he had mentioned first would now be handed to those who had gained them. They hoped to hold another examination at the end of June and trusted that not only the boys from schools, but also the students from the Technical Institute, who he understood were busy working at shorthand at the present moment, would compete. He hoped that the first distribution of certificates would encourage all those who had been thinking of going in to take the matter up seriously.

LADY LUGARD then presented the certificates, after which she requested two of the successful students to take a shorthand note of the remarks of Mr. S. Kingsbury, the hon. secretary, who said that the boys wished to present Lady Lugard with a "silver trowel" of shorthand, a fountain pen, in recognition of the foundation work in shorthand that day. He then introduced Master Sequeira Carlos, who had come first in the 80 words test.

Master CARLOS presented Her Excellency with a Swan fountain pen in a silver case and neatly expressed the gratitude of the boys to Lady Lugard for the encouragement she had given them and for the honour conferred upon them.

LADY LUGARD, who was received with loud applause, thanked the boys from her heart for their most beautiful present—a "silver trowel."

It would always remind her of the beginning of shorthand in Hongkong in which she took a special interest and sympathy because she had struggled through the beginning of it herself, and knew what a lot of difficulty and what industry and patience were necessary in order to get anywhere past that 60 word mark which she had never passed. It was a long time since she had learned it, and she hoped that the boys would put their knowledge of shorthand to a better use than she had done. All she had done with hers was to utilise it a little for notes and for household receipts. The other day, having entered into a struggle with a Chinese washerman on the proper washing of white flannel, she hunted up an old receipt which she had preserved and to her horror found that it was written in shorthand. (Laughter). She had the greatest difficulty in reading it. At last she deciphered something about putting something into cold water but what that something was she had the greatest difficulty in discovering. She looked and looked and ultimately found out that it was sassoline, written without the vowel points (Laughter). Continuing, Her Excellency hoped that the boys would carry their shorthand through further than she had done and that they would have no struggles over points. With hearty good wishes for their success she had great pleasure in accepting their charming present.

Three hearty cheers were given by the boys for Lady Lugard, and the proceedings terminated.

SUPREME COURT.

Tuesday, February 25th.

IN ORIGINAL JURISDICTION.

BEFORE SIR FRANCIS PIGGOTT (CHIEF JUSTICE).

CLAIM ON A BILL OF EXCHANGE.

Leung Sin-Hoy, trading as the Chin Fung Hoi Kee firm of Singapore, brought action against the Cheong Wing firm of 75, Bonham Strand, bankers, Wong Long-him of the same address, the Wing Tung Sun firm of 257, Des Vœux Road Central, merchants, the Wing Cheng firm of 129, Des Vœux Road West and Li Lan-nam, merchant, as the drawers of a bill of exchange for \$10,000 dated January 7th, 1907, and drawn by the defendants upon the plaintiffs, and payable to the order of the Netherlands Indies Commercial Bank 21 days after sight, payment whereof was made by the plaintiff on the 8th February 1907 to the Netherlands Indies Commercial Bank. Hon. Mr. H. E. Pollock, K.C., instructed by Mr. R. F. C. Master (of Messrs. Johnson, Stokes and Master) appeared for the plaintiffs, and Mr. M. W. Slade, instructed by Mr. P. Sydenham Dixon (of Mr. R. A. Harding's office) for the defendants.

The statement of claim read:—The plaintiff is a merchant trading as the Chin Foong Hoy Kee firm at No. 60, China Street, Singapore, in the Straits Settlements. The defendants, the Cheong Wing firm, are bankers carrying on business at No. 75, Bonham Strand, and the defendant, Wong Loong Him, is the managing partner of the Cheong Wing firm. The defendants—the Wing Tung Sun firm—are merchants carrying on business at No. 257, Des Vœux Road Central, and the defendant, Lai Yu-nung, is managing partner. The defendants, the Wing Cheong firm, were until recently carrying on business as merchants, at No. 129, Des Vœux Road West, and the defendant, Li Lai-nam, was until recently the managing partner of the defendants, the Wing Cheong firm. The defendants, the Wing Cheong firm, have recently ceased business, and the defendant, Li Lai-nam, has recently absconded from the Colony. On or about the 7th January, 1907, the defendants requested the plaintiff to accept for the defendants' accommodation a bill of exchange for \$10,000 which was drawn by the defendants on the plaintiff and payable at 21 days after sight in favour of the Netherlands India Commercial Bank at Singapore, and impliedly promised to indemnify the plaintiff from any loss or damage by reason of his so accepting he said bill of exchange. The plaintiff accordingly accepted the said bill for the defendants' accommodation. The defen-

dants did not indemnify the plaintiff from loss or damage by reason of his so accepting the said bill and the plaintiff as acceptor of the bill was obliged to pay to the bank, the holders thereof, the amount of the bill. The defendants have not nor have any of them paid to the plaintiff the said sum of \$10,000 or any part thereof, and the same is now due and owing by the defendants to the plaintiff together with interest from the 7th day of February, 1907, the date of the maturity of the bill. The plaintiff therefore claims:—Payment by defendants to the plaintiff of the sum of \$10,000 together with interest at the rate of eight per cent. per annum from the 7th February until payment or judgment.

The statement of defence read:—The defendants do not admit that the plaintiff trades as the Chin Foong Hoy Kee firm, at No. 60, China Street, Singapore, and they deny that they at any time requested the plaintiff to accept any bill of exchange for their accommodation. The defendants do not admit that the plaintiff accepted the bill of exchange sued upon in this action, and deny that the said bill of exchange was accepted for their accommodation, or that the said bill of exchange was an accommodation bill, and say that the said bill of exchange was drawn by the defendants, the Wing Cheong firm, on the Chin Foong Hoy Kee for value. The defendants drew the said bill of exchange as sureties to the Netherlands India Commercial Bank for the due payment of the said bill of exchange by the said Chin Foong Hoy Kee, or by the defendants, the Wing Cheong firm, and Li Lai-nam, in the event of the said bill of exchange being dishonoured by the said Chin Foong Hoy Kee.

Evidence was called, and the case adjourned.

Wednesday, February 26th.

IN SUMMARY JURISDICTION.

BEFORE HIS HONOUR MR. A. G. WISE (PUISNE JUDGE).

A CASE DISMISSED.

Tsang In-ling sued Tee Yeung-shi, as administrator of the estate of Tee Mai-loi to recover \$450 said to be due on a borrowing note.

Mr. Crowther Smith (of Messrs. Almada and Smith) who appeared for the plaintiff, asked permission to add the name of another defendant to the writ.

The defendant's solicitor, Mr. P. Sydenham Dixon (of Mr. R. A. Harding's office), objected. He had nothing to do with the new defendant.

His Lordship—I cannot allow this application. You are importing another person altogether, and that person may not have been served.

Mr. Smith—He is connected with the same borrowing note.

His Lordship—I cannot allow it; you must go on.

Mr. Smith—I am not prepared to go on.

Mr. Dixon—Then the case must be struck out.

Mr. Smith—I would ask your Lordship for an adjournment.

Mr. Dixon—I object to that.

His Lordship (to Mr. Smith)—Are you going on against this man?

Mr. Smith—No, I am not prepared.

His Lordship—The case is dismissed with costs. You must take out another writ.

A QUESTION OF PARTNERSHIP.

Action was brought by Cheng Ying-cheung against Lau Fuk to recover \$917.50 due for money lent. Mr. G. E. Morrell (of Messrs. Goldring, Barlow and Morrell) appeared for the plaintiff, and Mr. E. J. Grist (of Messrs. Wilkinson and Grist) for the defendant.

Plaintiff told the Court that he introduced the defendant to the manager of the Dairy Farm Co., and as a result the defendant obtained a contract to build so e cowsheds. Plaintiff advanced the defendant monies from time to time, and was now claiming repayment.

In cross-examination plaintiff said he was not a partner in the Tai Tseng shop. Lau Fuk promised to give him \$10 a month, and "something good" when the work was finished.

Was he giving you \$10 a month for life, a sort of annuity?—No, from the time the work was started until its completion.

You were to receive \$10 a month and "something good" at the end in consideration of your lending him money? Was any amount agreed upon?—No.

Didn't you finance this contract?—No.

Will you tell me what money you had to find?—If he had not enough money he borrowed from me.

As a matter of fact the defendant was to receive \$30 a month as wages, and you were to receive \$10 a month as wages during the carrying out of this contract?—I don't know whether he had wages or not; it was his business.

Mr. J. C. Walker, manager of the Dairy Farm, said the defendant was introduced to him by the plaintiff.

Cross-examined—Witness had seen the defendant frequently at the Dairy Farm, and had seen him looking at the work. Plaintiff may have taken an interest in the construction of the sheds.

Defendant told the Court the \$10 a month received by plaintiff was for wages. They undertook the work together, and both drew wages. Plaintiff was to supply the capital, and defendant was to do the work.

Judgment was for the defendant.

IN ORIGINAL JURISDICTION.

BEFORE HIS HONOUR SIR FRANCIS PIGGOTT (CHIEF JUSTICE).

THE LIABILITY OF COMPRADORES.

The Chief Justice delivered his reserved judgment in the action brought by Chan Kee against David Sassoon & Co., Ltd. Mr. M. W. Slade, instructed by Mr. C. D. Wilkinson (of Messrs. Wilkinson and Grist) appeared for the plaintiff, and Hon. Mr. H. E. Pollock, K.C., instructed by Mr. H. W. Looker (of Messrs. Deacon, Looker and Deacon) for the defendant.

His Lordship said—I have to deal in this case with a peculiarly difficult form of words used in this contract, which is a Compradore's Agreement, and which is composed of two facts, or rather constructed out of two other documents—the mortgage given to Messrs. Sassoon by the compradore's security, and an agreement between the same parties for the payment of \$20,000 to complete the security. The compradore is a party to both documents, and the terms and conditions of his engagement are to be derived from them. The question now to be decided arose out of a special case in an action by the surety for an account of what is due, if anything, by the compradore to the firm, and for the redemption of the mortgage, the compradore having ceased to act in that capacity. And the plaintiff demands that certain inquiries should be directed to certain special classes of dealings, which may or may not have taken place, but in respect of which, if they did take place, the plaintiff alleges that the compradore, and consequently he himself, would not be liable. The question came up in Chambers, and I gave a decision on the question of construction of the words to which I will presently allude. But there was a stumbling block in the way of further progress being made with the question, because it seemed to me that there was here involved a question of insurance rather than of guarantee, and I therefore directed a re-argument in Court, owing to the very great importance of the question; this re-argument naturally covered the whole ground, and I have come after a great deal of consideration to a different opinion from that expressed in the short judgment already given in Chambers. It is provided that the compradore shall be liable for all deficiencies in the price of goods sold or agreed to be sold to Chin-see "with or without the consent or knowledge of the compradore." The question arises: Is he liable in respect of contracts entered into "against the expressed desire" of the compradore? The argument on which I based my decision in Chambers was this: The above sentence amplified is "with or without the consent or with or without the knowledge" of the compradore. The positive words "with" are superfluous, and are only introduced to reinforce the negative word "without," and therefore the sentence may be read "without the consent or without the knowledge" of the compradore. In other words, his consent is

immaterial, and his knowledge is immaterial. 'Knowledge' is the wider term, and covers the narrower term 'consent,' knowledge being immaterial, and consent being immaterial, 'express dissent' would amount to no more than a protest against the firm acting within the rights conferred by this large clause, which virtually makes the compradore guarantee the whole Chinese nation in their dealings with Messrs. Sassoon & Co. But the mere fact of having come to this decision made me hesitate, and feel grave doubt whether it was sound, whether it does not err against the rules of construction which have been laid down with regard to contracts. There is a variety of principles on this subject, of which the following may have more or less application to this contract. Words must be construed in their grammatical and ordinary sense: the construction must not lend to an absurdity; they must be presumed to have been used in their plain ordinary meaning: mercantile terms must be understood in their ordinary mercantile meaning. Above all the intention of the parties must be carried out: and if the parties are not ad idem, then other rules apply. Now on re-reading the argument which I adopted in Chambers I am satisfied that it is a very forced and artificial construction of the words; it reveals, it is true, the latent meaning of the words, but I do not think there is any case which warrants the Court in holding parties bound by a latent meaning in a contract if that was clearly not the intention of the parties. I was tempted to apply what may be called the well-known meaning to the word 'compradore,' but the meaning involves a statement of his rights and duties, and possible liabilities. And what these are is precisely the question I have to decide. Beyond saying that it is common knowledge that a compradore is a surety for Chinese customers I cannot go, for it may be that he has accepted liabilities which make him something more and turn him in fact into an insurer. The fact is that the real nature of these rights and liabilities has never, so far as I can ascertain, been determined by the Court. As was said during the argument these agreements have been drawn up in different solicitors' offices, each office probably having a form of its own; they have been gradually evolved, obviously becoming gradually more and more stringent the security covering a wider area, until the agreement which is before me now has been arrived at, which, as will appear from what I have already said, goes about as far as it is possible to go. So much for the merchant's side of the case: so far as the compradore's side is concerned, it may be summed up in one sentence, he and his surety have accepted it, and unless I can see clearly that it was not the intention of the parties when they made the contract, he will be bound by the grammatical construction I have just indicated, even though it cannot be said to be a plain grammatical construction. The law imputes to a person an intention corresponding to the reasonable meaning of his words; but not an unreasonable meaning. Now is it possible that a surety can be said ever to have intended to be bound to guarantee, or that the other party to the contract ever intended so to bind him? This question must be considered independently of a priori arguments, of which there are a certain number available on either side. The whole idea of suretyship is based on consent. The del credere agency, which is the widest form of suretyship, involves consent also: and this negation of the right of refusal in any given case was one of the grounds which induced me to think that perhaps this was really a contract of insurance. But even in contracts of insurance consent on the part of the insurer is obviously the basis of the contract, and therefore I think that no such contract whether of suretyship or insurance can cover a case of express dissent, unless it appears clearly, and not by any roundabout argument, from the words used: that the argument I have referred to and up to now accepted is round about needs no demonstration. Therefore I am satisfied that this was not the intention of either party, and an inquiry may be had as to whether any contracts were entered into contrary to the expressed dissent of the compradore. The next inquiry asked for is, whether the defendants have released any of the contractors from their engagement, or have

entered into agreements altering the terms of the contracts; and whether this has been done with the consent or acquiescence of the compradore? At this point the question which I suggested in my minute again arises: Is the contract of the compradore one of suretyship, or of insurance? and then, further, is the contract of the surety of the compradore one of the suretyship or of insurance? This question is not disposed of by the fact that in my opinion the compradore has a power of dissent. For even granting that, he may still on the plain meaning of the words have made himself an insurer.

The question so far as it concerns this plaintiff may be disposed of at once. It is probable on the face of it that the guarantee of the compradore would have imported into it the same quality as the contract entered into by the compradore himself. That is to say; if that is an insurance, then the plaintiff has guaranteed the performance of a contract of insurance; and if it is a contract of suretyship, then he has guaranteed that. But I cannot see anything which would make it *per se* a contract of insurance. Stress was laid on the use of the word "all losses;" but a surety may guarantee all losses occasioned by, or arising out of the business in respect of which the compradore has undertaken liability, whatever that liability may be. The important question is whether a contract to incur liability in respect of losses incurred in trade by the firm with Chinese—"with or without the consent or knowledge of the compradore"—is a contract of suretyship. This can be solved by inquiring: Whether a guarantee can extend to a person unknown? And whether it can extend to an indefinite number of persons also unknown? And the answer to these questions can, I think, be satisfactorily obtained by propounding the following question: Would it be possible for the compradore to exercise the rights of a surety against the debtors (the Chinese merchants) and against the creditor (the defendant company, his principals)? If he could, he is a surety, and there is no reason for attributing to this contract a meaning which is not the commonly accepted one: if he could not, he is an insurer, and has, therefore, not got the rights of a surety, on which, speaking generally, these inquiries depend, and therefore, would not be entitled to the inquiries. The arguments covered a wide range, as is natural when we have to deal with an entirely new relationship which the parties, aided by very acute legal minds, have created. But I think the answer lies in a fairly narrow compass. The general principle is that this must be a contractual relationship between the person guaranteed and his surety, in order to enable the surety to exercise his rights against the person guaranteed, dealt with by De Colyar (p. 314), and he says that "the reason why the principal debtor is not chargeable to the surety, unless the engagement to the latter was made with the former's consent, actual or constructive, is because the English law does not allow a person to make himself the creditor of another by volunteering to discharge his obligation." "The authorities bear out this proposition: the only one I need refer to is *Walter v. James* (L. R. 6 Ex. 124). There the Court laid down this proposition as clear law: "that where one makes a payment in the name and on behalf of another without authority, it is competent for the debtor to ratify the payment"—which shows that ratification is necessary to establish the legal claim binding on all parties, and if ratification is necessary to establish the link between the debtor and the volunteer it is obvious that without ratification there is no contract between them. And if there is no contract between them, there cannot be a relationship of principal and surety, because a surety ceases to be a surety if he cannot sue the principal debtor. We have now got to a proposition of law which is applicable to the relationship established by this compradore agreement in respect of the unknown principals for whose defaults it professes to make the compradore liable; and the next question is whether there is any modification to be introduced into its application, owing to the circumstances arising out of the relationship of all these parties. The question now is: Can it be

said that there is a constructive consent on the part of these unknown debtors to the guarantee of the compradore on their behalf? It seems to me that *Alexander v. Vane* (L. M. and W. 511) which is quoted by De Colyar in support of his proposition hardly warrants it, for there the engagement to pay on his behalf was made in the presence of the debtor, and it was a question more of tacit than constructive consent on his part. The case which is nearest to the present facts is *Exp. Bishop, re Fox, Walker and Co.*, which is cited by De Colyar, and which when examined carries us a great way forward. An accommodation bill was drawn and accepted for the purpose of raising money for the drawer and acceptor, and the drawee discounted it with bill brokers in the city of London. The bill brokers then discounted the bill with their bankers. It was proved that according to a well established usage it is the common and invariable practice of bill brokers in the city of London not to go through the form of putting their names upon every bill which they re-discount with their bankers but to give instead of a general indemnity or guarantee to their bankers by which they undertake to be liable to the bankers upon each bill which they re-discount with them just as if they had endorsed that bill. Except for the fact that in this case the bill brokers could choose the persons from whom they made themselves liable, whereas the compradore cannot, this is as near a compradore agreement as we shall get from the circumstances of business in the West. The bill being dishonoured a payment was made by the discounters to the Bank, and the question arose whether they could prove for this amount in the bankruptcy of the acceptor. The doctrine I have just been considering was relied on by the trustee in the bankruptcy and it was argued on his behalf that there had been no ratification of these payments by the acceptor. But the Court of Appeal held that there was a relationship of principal and surety set up by the circumstances of the case. For, said James, L.J., "it must have been perfectly well known to both drawers and acceptors that *Henderson and Company* were carrying on an enormous business as bill discounters, and that they could discount the bills only by procuring advances from their bankers, i.e., that they would re-discount the bills." After referring to the custom of the city in the words I have already quoted, the L.J. said:—"This fact must have been well known and understood by the gentleman who manufactured these bills." From the point of view of the unknown Chinese customers whose debts are guaranteed by the compradore the facts are on all fours with this case; I must assume something with regard to the business of a compradore; and I am not stretching my imagination too far when I incorporate into this case the one fact that the Chinaman in this Colony knows that his debts to European firms are guaranteed by the compradore. I need go no further than this, and I should not be justified in so doing; the terms of his liability are not known, but that does not concern the Chinese customer; he knows the one fact only, that he is guaranteed, and that he could not do business without the intervention of the compradore. Therefore, so far as he is concerned, in spite of the fact that the compradore may not know him, or know of the business which he has entered into, the relationship of principal and surety is set up. Can it be that the compradore's ignorance of the Chinese trader's existence will prevent the relationship arising? For that is the only point which may differentiate this case from the one just cited. I think not. For the real test whether there is a suretyship or not is whether there is a *vinculum juris* set up between the compradore and the Chinese customer. And if it is set up by one set of facts it can hardly be destroyed by the introduction of another fact, which leaves the former facts unaltered. And if it were necessary to find a reason for this view I should be prepared to hold that the provision of the agreement that the compradore can recover his commission from the Chinese customer, imposes a duty on the firm to acquaint the compradore immediately a bargain is entered into. I am therefore of opinion that this deed does create a contract of suretyship only, and that the plaintiff, the surety of the compradore,

is entitled to this second inquiry. It follows from what I have said that in spite of the very wide words in which the liability clause is drawn the contract must be interpreted as a contract of suretyship would naturally be constructed; that is, that the compradore stands surety to Messrs. Sassoon for their Chinese customers: they cannot be held to guarantee to Messrs. Sassoon against themselves, and therefore any losses which have been occasioned by Messrs. Sassoon's own action is not covered by the agreement:—I think that the words "or otherwise however" must be interpreted by the *ejusdem generis* rule, and that the sentence "whether such losses, damages, costs, charges or expenses shall be incurred or sustained by reason of the breach of such contract, agreement, transaction or business or otherwise howsoever" can only refer to losses occasioned by the acts or defaults of the Chinese customers. If a loss were occasioned by a breach of contract by Messrs. Sassoon themselves, they would not I suppose contend that the compradore was liable. I think I can deal with this head, and the "Further Enquiries" together. I think they really all fall under this ruling and I suggest that the better form of the equity would be on these lines—as to any acts committed by the defendants which have occasioned the loss in respect of which it is sought to impose liability on the defendant. The exact form can be settled by the solicitors in Chambers. There remains the third head, the deficiency in price of goods sold &c. I do not know what the word "deficiency" means. It seems to me that this question as well as the consequent questions which depend on it are matters which a commercial man is far better able to decide than I am. I think the parties ought to agree to take the opinion of some gentleman in the commercial world. If they do not this part of case must be much more fully stated than it is to enable me to arrive at a conclusion.

IN BANKRUPTCY.

SCHEME OF ARRANGEMENT APPROVED.

His Lordship delivered his decision in re: *an* *Washburn, Mr. P. W. Goldring* (of Messrs. Goldring, Barlow and Morrell) represented the debtor, and Messrs. H. W. Looker (of Messrs. Deacon, Looker and Deacon), E. J. Grist (of Messrs. Wilkinson and Grist) and C. F. Dixon (of Messrs. Hastings and Hastings), the creditors.

His Lordship said—In this case I am asked to approve a scheme of arrangement by which the debtor proposes, or it is proposed on the debtor's behalf, to pay a composition of 7½ per cent on all provable debts within a month after the approval of the scheme, the payment to be secured by the personal bond of some person to be approved by the creditors. It is understood that this must mean, or be in fact, by all the creditors. The scheme has the approval of the requisite majority of three-fourths in value of all the creditors who have proved, and it is supported by the Official Receiver in his report. It is vehemently opposed by the remaining creditors. One of the proxies—that of Talati and Co.,—themselves bankrupt in Bombay—has been challenged, and the challenge if sustained would bring the amount of the assenting creditors below the necessary three-fourths. It seems that Talati's proof was dated 11th January, 1907, and that the firm was made bankrupt on 29th April, and that the firm itself sent a proxy to the debtor's solicitor on 23rd November, which clearly was an invalid proxy as it should have been given by Talati's assignee, and not by Talati and Co. themselves. It was, however, confirmed by the assignee, and I must apply the doctrine of ratification to this, and hold the proof to be validly made. This point would be too highly technical to warrant my refusing to confirm the scheme merely on this ground, but it seems to me to be a great pity that there should have been any laxity in India in a matter of such importance. The next point arises in virtue of a definite application that the debtor be adjudicated bankrupt: section 19 (1) of the Ordinance provides that if a composition or scheme is not accepted or approved within fourteen days after the conclusion of the debtor's examination or such further time as the Court

may allow, the Court shall adjudge the debtor bankrupt. *Re Pinfold* (1892, 1 Q.B. 73) decides that this word "shall" is not compulsory in so far as regards those equitable grounds upon which the Court has often refused the order, but that so far as regards the actual provisions of the section it is compulsory. But I think that the clear meaning of this section is that it contemplated the application for adjudication being made before the acceptance of a scheme, and in that case the fourteen days provision is absolute; but that if a scheme has in fact been accepted the creditor is debarred from availing himself of this provision. But the whole controversy turns on section 18 (5) which indicates the grounds on which the Court may, in its discretion, refuse to approve the scheme. One of these grounds is "if the Court is dissatisfied with the conduct of the debtor". The later English Act of 1891 has in section 3 (8) and (9) a somewhat different provision:—The Court shall refuse to approve the proposal in any case where the debtor's conduct is such that the Court would be obliged to refuse his discharge, had he been adjudged bankrupt, or where the Court would be required either to refuse, impend or attach conditions to discharge it shall refuse its approval unless a composition of 7½ in the £ is forthcoming. It is necessary to notice this difference in the two provisions as some English decisions have been referred to. In England the refusal is definitely regulated; in the local Ordinance it is discretionary. It is clear, however, that the conduct of the debtor referred to in our ordinance means such conduct in relation to his business as the Court exercising its powers under the act, would have to take notice of in some way, as by ordering a prosecution or refusing or suspending, or attaching conditions to his discharge under section 27. The conduct of this debtor relied on by the opposing creditors is conduct which, as alleged, falls within section 27 in regard to which the discharge may be refused or suspended: rash and hazardous speculations, which include of course contracting debts without a reasonable expectation of being able to pay them, or continuing to trade after knowing himself to be insolvent. This, then, is the question I have to decide. It is not a legal one at all in this case, but a purely commercial one, and I must do the best I can with what seems to me rather a difficult problem. There are, however, a few authorities which show the tendency of English judges in considering this question, which I must first refer to. (In re *E.A.B.*, 1902, 1 K.B. at page 408), Vaughan Williams L.J. expressly alluded to the old decisions, and he laid down this important principle:—"There is no rule that any misconduct will justify the Court in refusing to sanction a scheme. The misconduct must have been such as would make it against public policy to sanction the scheme, i.e., the misconduct must have been of a gross character. Now what is the misconduct suggested here? In substance, it is only that the debtor has been guilty of rash and hazardous speculations leading to his insolvency; but to say that that is a ground upon which the Court should refuse to sanction the scheme would be, in effect, to say that in cases where that is reported to the Official Receiver there can be no scheme. But," the learned L.J. adds, "there might be a case where the rash and hazardous speculations had been so continued or of such a character as to make it against public policy that a man who might be described as a confirmed gambler should get a scheme sanctioned at all." There are remarks in re *Beer* (88 L.T. 325) in much the same sense. It is clear that these opinions are applicable to the discretion of the Court under the local Ordinance, and it was strongly contended that this was a case which falls within the last description of rash and hazardous speculation which ought to induce the Court to refuse the sanction of the scheme. The examination of the debtor revealed the following facts: that in January 1903 he commenced business with a capital of \$11,000, or perhaps \$4,000, this does not very clearly appear. He was not a yarn merchant, strictly so called, but a middleman, the distributing centre between the European importers and the Chinese large and small buyers throughout the country. I think this is material, because although I am most anxious not to

make any remarks on a subject with which I am not conversant I am bound by the Ordinance to form an opinion on the facts, and in a bankruptcy of this importance it is essential that I should attempt to give an intelligent, and I hope intelligible, reason for the conclusion I have come to. I think I am right in saying that this sort of middleman is essential to the international commerce which goes on in this Colony, and that this is a fact recognised by all parties. But then this follows:—That a middleman must have a larger command of the commodity in which he deals than an ordinary merchant; that his commercial conduct cannot be judged, and it has to be judged before the bankruptcy court by the standards by which the conduct of a merchant in the same line would be judged. The chief question is, of course, that of capital. The apparent lack of proportion between a man's capital and his undertaking which the bankruptcy court might think unreasonable in the case of a merchant, might possibly be quite reasonable in the case of a middleman, and I think there is an inevitable corollary to this—that the firms who deal with the middleman must be taken to know this. The question which I have therefore to decide in the present case is whether this debtor's dealings were, by the light of these facts, unreasonable; has he acted rashly and hazardingly as a middleman, and not as a merchant. I have then to decide this question, really on behalf of the commercial community rather than as a question of fact or law, without the usual assistance of expert evidence on the subject which I should have in an ordinary case; I must do so by such light as I can glean, and the materials before me are not very promising, for while some of the creditors firms of standing in the Colony are willing to accept the very small composition of 7½ per cent, others, also of standing, protest, because I presume they consider the debtor's conduct to have been so bad commercially speaking, that they are willing to run the risk of getting at the most 1½ per cent—as I am to assume from the Official Receiver's report will be the fact—to incur a loss themselves and to impose a loss on others, in order to expose and punish his conduct. Now, I find that up to 1905 the profits were \$27,000 and the capital increased to \$60,000. The debtor does not seem to have kept very regular accounts, but I gather that all the material facts have been ascertained. But by the end of 1906 everything had been lost except \$5700. In 1905-06 the debtor had contracts for yarn amounting to eleven million dollars, of which he had failed to take delivery of four million, and had failed to re-sell two million. On 15th August, 1906, he had to take delivery of three million of which two million was not re-sold, and on the 17th August he then ordered five million of which two million were not re-sold; his uncovered obligations amounted therefore to 7½ millions. I confess that these figures rather stagger the uncommercial mind. The debtor says in explanation that his customers had given him directions to buy, and had urged him to buy, because they said a great quantity of yarn would be wanted, and that they failed to come forward and buy, the cause of it all being the rise in exchange and a consequent fall in the price of yarn. The fact is, however, that the yarn market was in a precarious condition owing to the abnormal rise in silver, and that the foreign importers themselves closed the market for three months in order to reduce the stocks on hand. It all seems to the uncommercial mind very rash and very hazardous, but it is so rash and so hazardous that I am justified in setting aside the wishes of the majority of the creditors who have the legal right to bind the others to accept the proposed scheme of arrangement. I have not to inquire into or express an opinion on the opposing creditors' action, for it is not directly before me. But indirectly it is, and I cannot refrain from saying that some of this dealing was dealing with themselves, at a time when things were so shaky that they themselves had to join in taking violent measures to check a further fall in price. And I must assume that they had, or if not, could have obtained some idea of, the debtor's position. Obviously, I do not say that they were themselves acting rashly or hazardingly. But what I cannot help thinking from such experience as

I have gained in the Court that the compradore system is responsible for a great deal of what goes on in commerce in the Colony. I am well aware that the compradore's security does often cover only a small proportion of the liabilities which he incurs. I know too that the compradore system is, and is likely to be for many years, essential to carrying on trade with the Chinese. But I am bound to say that I do think the existence of that system leads to a feeling of false security, and that the inevitable result offered is that sometimes a course of dealing is entered into with Chinese which would not be entered into in like circumstances with Europeans. There is only one other matter I must refer to, and that is the part which the abnormal fluctuations in exchange have played in this matter. I of course cannot go to the extent of saying that a rash and hazardous course of commercial conduct becomes the opposite when exchange has precipitated the crisis. Nor can I say that dealings not otherwise rash and hazardous become so when exchange brings them to grief. I am doubtful even if I can say that the rash and hazardous dealings become more so in like circumstances. It seems to me rather justifying or condemning the act by the result. I suppose commerce has to go on subject to these violent and disturbing fluctuations of the silver market, and on the whole I am disposed to say that the question of exchange can only be left out of consideration in a question like the present. So that the question before me is what view am I to take of the debtor's conduct in the following circumstances:—After a period of prosperity, he finds himself practically at the end of his resources. The market is in a very shaky condition, but he has orders from the country some of which are executed and some not; he goes on with his trade, in which however, the element of speculation is never absent, and gives even larger orders than before. He is running a race with exchange and is beaten. But he finds the European firms, who know the fluctuations of exchange and their effect on the yarn market, will still give him credit. If I had to judge him by his conduct, and mete out the punishment of the bankruptcy law, I should suspend his discharge: but I have, as clearly appears from the Official Receiver's report, to mete out the punishment to others, by depriving them of what they find they can save from the wreck; and as there is no compulsion in the matter, I think in the circumstances, that I should not be justified in doing this. Stated in this way the somewhat anomalous powers of the Court are explained. I am not dealing with the debtor, but with his creditors, and therefore it is that the cases emphasise the justification—the speculations must be of such a nature as to make it against public policy to approve the scheme. In going counter to the wishes of the legal majority I can only do so on grounds of public policy. It was very ably and forcibly argued that this man's speculations were against public policy. The considerations which induce me not to accept this argument sufficiently appear from what I have already said. I therefore, but with hesitation which this judgment gives expression to, approve the scheme.

CREDITOR'S PETITION.

Re the Yuen On firm. Mr. P. W. Goldring (of Messrs. Goldring, Barlow and Morrell) applied for a receiving order on behalf of the debtor; Mr. C. F. Dixon (of Messrs. Hastings and Hastings) appeared on behalf of three partners to oppose the application; Mr. Crowther Smith (of Messrs. Almada and Smith) appeared for the managing partner of the firm, while Mr. H. W. Looker (of Messrs. Deacon, Looker and Deacon), and Mr. E. J. Grist (of Messrs. Wilkinson and Grist) represented other creditors.

Mr. Goldring—The position is somewhat complicated, my Lord, because notice of opposition has been filed by Mr. Dixon.

His Lordship—What do you want?

Mr. Goldring—I want a receiving order, and I understand Mr. Dixon, who appears for some of the partners, opposes it.

Mr. Dixon—I appear for three of the partners of the firm to oppose the application.

Mr. Smith—I represent the managing partner and agree to the application.

His Lordship—I have not seen the act of bankruptcy yet.

Mr. Goldring—It is notice of suspension of payment, (Mr. Goldring here read the notice).

His Lordship—That is not a notice of suspension.

Mr. Goldring quoted "we have no money to pay your debt or other debts."

His Lordship—I would like you to give me an authority. I have refused several applications like this.

Mr. Goldring—In previous cases I have known a letter similar to that to be sufficient. It seems to me the firm could not pay, and stated that fact clearly in the letter. Will your Lordship grant me a week's adjournment.

Mr. Dixon—I must oppose that, and ask your Lordship to dismiss the application with cost, against the petitioning creditor.

Mr. Goldring—There are other grounds for the application. Execution has been issued against the firm in three actions, and their goods have been seized.

His Lordship—All acts of bankruptcy ought to be stated.

Mr. Dixon—I submit your Lordship cannot deal with an act of bankruptcy which is not alleged.

The hearing was adjourned to enable Mr. Goldring to file further affidavits as to the act of bankruptcy.

Tuesday, February 25th.

IN APPELLATE JURISDICTION.

BEFORE THE FULL COURT.

THE SWATOW REFORMER LIBERATED.

In the matter of *Iu Kai-shing*, and in the matter of the Chinese Extradition Ordinance No. 7 of 1889. In this matter Sir Henry Berkeley, K.C., instructed by Mr. Otto Kong Sing, appeared for the appellant, and the Attorney-General, Hon. Mr. W. Rees Davies, instructed by Mr. F. B. L. Bowley, Crown Solicitor, for the Crown. Their Lordships delivered reserved judgments in this matter.

The Chief Justice said: The question of this man's extradition comes before us in two ways: as an appeal from Mr. Justice Wise's decision discharging the writ of *habeas corpus* which had been obtained, and also on an original motion for a *habeas corpus* to the Full Court.

A preliminary point was taken by the learned Attorney General that no appeal lies because this is a criminal matter. But Section 23 of Ordinance 3 of 1873 allows appeal in all cases other than criminal trials. I think, therefore, that an appeal lies. And there being apparently some advantage in connection with the admission of evidence by making an original motion also, I suppose there is nothing to prevent that being made, as according to the decision in *Bell Cox's* case, a man may go to every Court for a *habeas corpus*, though not, as seems originally to have been thought, to every Judge. I maintain the view that I expressed in the case of the seven witnesses committed for perjury, that this double procedure is not necessary, and therefore unnecessary, as it certainly increases the costs of such applications which ought to be as little costly as possible, and I feel certain that any benefit which one procedure may give would certainly not be denied on the other.

As is almost inevitable when a man is struggling for his liberty, and therefore in all extradition cases, a great number of points technical and otherwise were taken, and although we are both strongly of opinion that the procedure in this case has been defective, and has not been cured, I shall endeavour to deal fully with all the points raised, so that as far as is possible these points may be considered as settled for the future. It is of great importance that extradition proceedings should be conducted with the utmost regularity, not only in the interests of the fugitive criminal, but also of the Foreign State which is demanding his rendition.

The first point argued was that the Ordinance, No. 7 of 1889, is *ultra vires*, because it is extra-territorial, in that it sanctions the deportation of persons from the Colony. There can be no doubt that whether it be regarded from the point of

view of the act necessary to carry it out, or merely from that of its consequences, an order deporting a person from the Colony is extra-territorial. It is equally clear that a Colonial Legislature has no power to legislate extra-territorially; and as a concrete illustration of principle, it may be said generally that a Colonial Legislature cannot make any of the arrangements necessary to carry out the extradition of fugitive criminals, without the express authority of Parliament. But in the present case the proposition cannot be applied without further inquiry into the subordinate factors which have led to this Ordinance being passed.

The steps that have been taken in the matter of extradition of Chinese subjects from Hongkong to China, are as follows:—(1) the Sovereign has entered into the Treaty of Tientsin, by Art. 21 of which this extradition is guaranteed. The making of a Treaty is within the prerogative, and there is no limit to the power; but although it does not require the sanction of Parliament, if in order to its executive acts within the realm are necessary and Parliament does not make necessary provision, the Treaty obligations cannot be fulfilled. Therefore in this case some legislative action was necessary, and the question is whether this must be action on the part of the Imperial Parliament, or whether the Colonial Legislature can do what is necessary. There is no doubt that, speaking generally, when it is found necessary to authorise extra-territorial action on the part of the Colonial Executive, or to introduce some extra-territorial provision into the law of the Colony, it must be done by, or with the permission of, the Imperial Parliament (McLeod v. Attorney-General of New South Wales). Further, it is also settled as a general principle that the fact that the King has approved, or has not exercised his powers of disallowance, in respect of any Ordinance will not give validity to any extra-territorial provisions which it may contain. It is also settled law that a Colonial Court can declare a Colonial Ordinance to be *ultra vires*. But although this argument seems to fit this case to a nicety, there is another question to be considered—another prerogative right involved. In purely Crown colonies, those acquired by conquest or cession, the King himself has a prerogative right of legislation; in this way they differ essentially from settled colonies, the Sovereign's rights therein being created by Act of Parliament, and now regulated generally by the British Settlements Act, 1887. Hongkong is a ceded colony. Now, treating as we, of course, must do, the non-exercise of powers of disallowance, whether expressly or otherwise, as the same as an act of approval, this is an act of the King, and, therefore, unless there is any other question involved, this Ordinance, which has not been disallowed, is by virtue of these two prerogatives *intra vires*.

In answer to this it was said that the King can only exercise his prerogative rights through his Privy Council, and therefore that his approval or non-disallowance have been by Order in Council. This would not be so in a settled colony, even in face of the British Settlements Act, because in them there is an express devolution of the Parliamentary power to the Colonial Legislature by Parliament itself, and the powers of Parliament extend throughout the King's dominions. And therefore as the King has a prerogative right to veto in the case of Parliament, he clearly has it also in the case of a Parliament with delegated powers. But in Parliament of his own creation, in the Crown colonies, it is not in the exercise of any prerogative right of veto, but in the exercise of his prerogative right of legislation that he assents or does not dissent from legislation.

Again it was said that by the words of the Colonial Charter, the Letters Patent originally of 1843, and now of 1899, the Sovereign has expressly limited his rights of legislation, because he has said that he reserves to himself the right to legislate by Orders in Council on such matter as he has put within the power of the Colonial Legislature to deal with. This may be so. But the charter expressly limits the power of

the Colonial Legislature to deal with matters affecting the peace, order and good government of the Colony, therefore if this provision has the effect contended for, it must clearly be limited to those things which the Colonial Legislature has power to deal with. But *ex hypothesi* this matter of extradition does not fall within the grant in the charter; therefore it cannot be affected by this limitation. This much must be added on this point. The limited power of a Colonial Legislature, the absence of any power on its part to pass extra-territorial legislation, depends entirely on the express limitation of its powers, and on nothing else. Parliament has, but I think within certain well-defined limits, a power of extra-territorial legislation even in respect of foreigners abroad. So I take it must the King also have within his own domain of legislation; and this power he has not ceded to his Crown Colony legislatures. With regard to what the limits of extra-territorial legislation are, it is no doubt a matter of great uncertainty; but this no one could deny—that legislation passed in order to carry out the King's own obligations entered into by him with a Foreign State falls well within them. On all grounds, and looking at the question from every point of view, therefore, I am of opinion that this Ordinance is *intra vires*.

I have gone thus elaborately into the question which was argued with much learning, because it is recondite, and it is well that matters of such high importance should, if possible, be put on their true basis. Since writing this part of my judgment my attention has been called to a recent decision of the Privy Council in the case of Attorney-General of Canada v. Cain, in which an almost, if not this identical point was decided. The argument I have used arrives by a somewhat different route at the same result as their Lordships; but after reading that judgment I do not think it necessary to alter my reasoning. It covers the case of Canada, for that comes within the definition of a ceded colony. The only point about which there may still be room for argument is how far the assent of the Crown in a settled colony would make extra-territorial legislation *intra vires*.

I pass now to a matter of great importance. By Section 4 (3) of the Ordinance—No. 7 of 1889—it is provided that a fugitive criminal shall not in any case be surrendered unless an engagement is given by the Chinese government that he shall not be detained or tried in China for any offence committed before his surrender other than the extradition crime on which the surrender is demanded, until he has been restored or had an opportunity of returning to the British dominions.

It is said that this section has not been complied with in this case, if it has not, the section is obviously applicable: for whether the offence for which Lu Kai Shing says he will be punished when he gets to China be a political offence or not, he says it is an offence which is not the armed robbery for which his extradition is demanded. The importance of the question lies in this: that it is the safeguard provided by the law that in fulfilling the Treaty obligation of extradition the right of asylum shall not be violated. It is therefore of the utmost consequence that the provision of the section should be rigidly complied with.

The argument based on this section is two fold. First, it is said that the engagement must be that of the Chinese Government, and not of any subordinate authority, such as the Viceroy of the two Kwang; secondly, that this engagement must be given at the time of the requisition, or at least, that if it has not been given at the time the *habeas corpus* is applied for it is a good ground for making the rule for the writ absolute.

As to the first point, I am clearly of opinion that the word "Government" means what it says; that is, Government, and not a subordinate authority. The words "Chinese authorities" are used in the Ordinance with respect to the requisition; but when it comes to this very important provision, which is in favour of liberty, unless the Ordinance is carelessly drafted, which I do not assume, the matter is

not left to the "authorities," but the engagement is required, and I am bound to say properly required, from the Government itself—that is the Government at Peking. I said in Wong Ka Cheong's case, and I still think, that there seems to be a latitude given to the Executive of the Colony to accept a general engagement if it so chooses; but it has not done so. As to whether the delay involved in getting an engagement from Peking in each case would be too circuitous, that is not for the Court to consider; though I may remark that as extradition is so often followed by decapitation the opposite of circuitry might without impropriety be called "undue haste." The Legislature has said that the Chinese Government must give the undertaking; it is for the Legislature to decide whether it will be satisfied with a delegated power to be exercised by the Viceroys.

The second question is more difficult. I agree with my learned brother that it is not governed by the decisions in *re Bourvier* and *re Woodhall*. The corresponding provision of the English Act is that the fugitive shall not be surrendered unless this very necessary provision is made by the law of the country making the requisition or by arrangement. In our Ordinance therefore the word "engagement" stands in the place of "provision by law or arrangement."

Now, the main argument in *re Bourvier* was as to whether the facts which the Court had before it explanatory of the law of France amounted to a "provision made by law," and it was of opinion that they did. The same point was decided in the same way in *re Woodhall*, where the Court held that a decision of the Supreme Court of the United States binding on all other Courts in the States also satisfied the condition, and the Court held that this also was a "provision of the law." But Lord Coleridge, C.J., said, if the requirement of the Act has been complied with the prisoner must be given up; if the requirement of the Act has not been complied with he cannot be, but the rule for the *habeas corpus* must be made absolute. Under the English Act, as we see, there is an alternative condition—provision by law or arrangement, and it is certainly legitimate to argue that what is true of the provision by law must also be true of the arrangement, and that if there is no provision by law and no arrangement the requirement of the Act has not been complied with the prisoner must be given up, and that the same principle must apply to the engagement required by the Hongkong Ordinance. But Lord Coleridge did say that he was not dealing with the arrangement, but that that must come afterwards, and these words may mean, when occasion arises, that question will be considered. And it may be that the argument does not apply to the arrangement. For it may be argued that a "provision of the law" is something which must from its nature be pre-existent to the requisition for surrender, and that an arrangement or engagement may also from its nature, come after the requisition has been made. I doubt if the argument is sound. The writ of *habeas corpus* is protective of liberty, the fact that the right to apply for it is expressly granted by the law assumes the possibility of wrongful rendition. And if there should be, by accident or oversight, what is the remedy? It would be too late, and the Court could no longer give the man the protection which the law had guaranteed. As I have said the whole question resolves itself into one of protection of the individual, and the Court is bound to see that there is no loophole by which this protection may be destroyed. I think there is a tendency to assume that a fugitive criminal is what he is called, and therefore guilty of the crime with which he is charged. The law of England which assumes a man innocent until he is proved to be guilty applies as well to such a fugitive as to anyone residing in the Colony. Nor do I think that this is a mere technicality. I shall therefore content myself with saying that the question is not absolutely within the English decisions, and that I entertain a strong view that the engagement should accompany the requisition. If it be so it is one which is easy to comply with. The Chinese

Government has no desire to evade the safeguards with which the law surrounds the fulfilment of our treaty obligations to it; and it has only to be informed that the engagement will be in future required with the requisition or as soon after as is possible in order to prevent fugitives being released on *habeas corpus*. In Wong Ka Cheong's case I expressed an opinion on this point which was in favour of the existing practice, but the point was not very fully argued.

The next question raised deals with the procedure which has been followed in this case and renders a close analysis of the Ordinance necessary.

One point of minor importance may be disposed of at once. The order to the Magistrate given by the Governor, in this case the Officer Administering the Government, must under Section 6 be "under his hand and seal." This means the Governor's official or private seal, preferably his official seal, if he has one. In this case the seal of the Colony was used; but that does not make the order invalid. It is no more than what I may call an excess of wax. There are authorities to show that a lump of wax merely impressed with anything will constitute a seal. If the Governor were to borrow the Colonial Secretary's seal the document would still be under his hand and seal, within the meaning of those words.

Next as to the form of warrant issued by the Magistrate. During the first day's argument there was no evidence forthcoming as to what information the Magistrate had before him when he issued the warrant. As his action was challenged on this ground we were clearly entitled to know. Mr. Hazeland therefore filed an affidavit, from which it appears that the information was to the following effect.

The information and complaint of Tseng Kai Ying: I am sub-lieutenant in the Chinese army. I am informed and have good cause to believe and verily do believe that Lu Kai Shing *alias* Ki Shing, late of Wong Kong, and now residing in this Colony is accused of the commission of the crime of armed robbery within the jurisdiction of China. I am informed and verily believe that a warrant has been issued in Wong Kong for the arrest of the said Lu Kai Shing *alias* Ki Shing; that the Chinese Government will demand his extradition in due course, and that there are reasonable grounds for supposing the accused may escape during the time necessary to present the diplomatic requisition for his surrender. I therefore pray on behalf of H.E. the Viceroy of Canton that a provisional warrant to arrest the said Lu Kai Shing *alias* Ki Shing may issue under the provision of Ordinance 7 of 1889.

The whole of the form is printed except of course so much as relates to this special case. On this information the learned Magistrate filled in another form headed "Provisional Warrant," the substance of which was as follows: Whereas it has been shown to me that Lu Kai Shing *alias* Ki Shing is accused of the commission of the crime of armed robbery within the jurisdiction of China. This therefore is to command you forthwith to apprehend him and bring him before me to be further dealt with according to law.

I have looked in vain in the schedules of the Ordinance for this form, but it is not there, and I have looked in vain through the Ordinance for some warrant for this exceedingly summary mode of dealing with applications for extradition. It is clear that the procedure which has been adopted, apparently for a long time in the Colony, is based on the procedure by way of provisional warrant sanctioned by the Fugitive Offenders Act. I will assume that for this purpose the information was sufficient, though I very much doubt it. I allude to this because the same form of words to which I am now going to allude are used in Sec. 4 of that Act. Let me say this however with regard to Sec. 8, that there is no doubt whatever that it does provide a provisional procedure in order to prevent a fugitive criminal getting away before the necessary formalities have been completed. The nature of the subject of extradition demands that such a procedure

should be provided. But then the procedure which the law provides must be carried out.

Now, Sections 6 and 7 of the Ordinance provide the regular machinery by which extradition proceedings are to be begun. There is to be a requisition to the Governor made by some officers of the Chinese Government; the Governor thereupon may issue his order to a Magistrate to issue his warrant; and on the receipt of the order the warrant is to be issued. Then comes Sec. 8. A Magistrate may also issue his warrant for the apprehension of a fugitive criminal on such information or complaint as would, in his opinion, justify the issue of a warrant if the crime had been committed in the Colony. The fugitive is to be discharged if the order referred to in the previous sections does not come within a reasonable time.

These words seem to me to have a very definite meaning. Before he acts in an extradition case in the absence of a requisition and order, he must receive such information, of the same nature, quality or quantity, as he would require and receive if he were applied to for a warrant in the case of a crime committed in the Colony. Now no Magistrate would issue a warrant if someone were to come to him and say "Ki Shing has committed the crime of armed robbery in Kowloon." He would want to know more about it. He would want, at least, some evidence, however little, some information about the details of the crime. Warrants are not launched in so promiscuous a fashion, at least I hope not, in the case of crimes alleged to have been committed in the Colony. The word information is not a technical word; it expresses the fact that the Magistrate has received some information about the crime alleged to have been committed. And the case is really no different if the word "complaint" is taken by itself. In this document the words used are "The information and complaint"; in fact there was a complaint but no information, and from either point of view the fact is that the Magistrate had nothing before him on which a warrant could go in the case of a crime alleged to have been committed in the Colony. But it was said - Oh, this is an extradition case, and that makes all the difference. In point of fact the information was merely that Ki Shing was "accused of the commission of the crime of armed robbery in China." So that this warrant has been issued in express disregard of the provisions of the section, which are that this procedure by the Magistrate without order from the Governor shall not be used merely because the Chinese Government have accused the fugitive and meant to demand his extradition, but solely when there is some information as to the commission of the crime itself. The cases which deal with the discretion of the Magistrate in the matter of how much evidence or information he may require have no application to this case, for here there was no information as to the facts at all. As I have said if it be thought necessary that such provisional procedure be adopted in order to make extradition proceedings effective, by all means let the Legislature say so; but the Executive and the Magistrate must not invent it, even though, as I am told, it conforms to instructions sent from home. The Court cannot look into those instructions because the question before us is not whether they are, in the first place, applicable to this special Ordinance, and if they are whether they have been complied with; only whether the Ordinance has been complied with or exceeded. And, further, what a "Provisional Warrant" may be which is not sanctioned by an Ordinance, and is not followed up by a complete warrant, I have not the remotest idea. I shall have to revert to this point presently. I am therefore of opinion that the warrant is bad at all points. But this is not the end of the story.

A requisition from the Chinese Government was in fact received, and the order of the Officer Administering the Government sent to the Magistrate in due form, as I have already indicated. Now this order required the Magistrate to issue a warrant. And the issue of it is regulated by Sec. 7, which is in two parts. On receipt of the order the Magistrate is to issue the warrant; or, here comes the second case, "if the fugitive criminal is

already in custody, he is to issue his order to all necessary persons, to bring the fugitive criminal before him to be dealt with according to the Ordinance."

The learned Attorney-General's contention as to this last provision was, that it means that if the fugitive is in custody for some other crime then this procedure is to be followed, but that it does not apply to the case of a man in custody under a warrant issued by the Magistrate under Sec. 8, because, as I gather, it would be mere surplusage. I cannot agree. The drafting of Sec. 7 has an evident relation to Sec. 8. In fact the argument is refuted by the practice which has been adopted, which is a provisional procedure pending the receipt of the requisition. The plain meaning of Sec. 7 is that if the Magistrate has already issued a warrant on information as to the commission of the crime without a formal order, then the escaped criminal being already in custody, in respect of the extradition offence - and I desire to emphasise these words, - no further warrant is necessary, but an order may be issued to bring him up to the hearing. This form is given in the schedule, but no such order was ever issued.

Now let me take the procedure which has in fact been followed and see what it comes to. As I have said a provisional warrant, if it means anything, means that it is something which requires completion; and that although it may serve its purpose for the time being it is not a real warrant and cannot become a real warrant until some further order is made completing its efficacy. Assuming the information to have been sufficient and the only defect to have been the name "Provisional Warrant," it is not impossible that this might have been cured by the order of the Magistrate under Sec. 7 to bring up the fugitive to the hearing. But there being no such order in this case this hope of rectifying these proceedings falls to the ground.

But there is something much more important than mere form involved in this question, which leads me to the opinion that the absence of this order in Sec. 7 is fatal and that the man is in illegal custody. The learned Attorney-General contends that if the fugitive happens to be in custody for another offence all that is required is this order under Sec. 7 to bring him up to the hearing. I dissent altogether. Extradition proceedings depend on statute alone. It is not sufficient merely to have got the man in custody for some other offence, and then to start extradition proceedings against him on such an order as this; for there would be nothing to support those proceedings. The requisition is nothing but the foundation of executive action; the order of the Governor is nothing but the executive request to the law to act; the warrant is the first and only step on which extradition proceedings can be started. Without a warrant everything which is done is absolutely bad. No Courts in any country have the smallest jurisdiction in the matter of crimes committed in another country. The treaty gives them none, but only the legislative act which authorises the executive and judicial acts necessary to fulfil the treaty obligation. And when that Act says that a warrant is necessary, a warrant there must be, and that is all about it. If there is no warrant the proceedings are bad *at once*. I have heard it said that if you can get hold of a criminal by some means or other the Courts can act. It certainly is not so in extradition proceedings, and of this I am certain that no policeman could arrest the fugitive without a warrant, even though there were a requisition and Governor's order thereon.

With very great respect I must entirely dissent from a dictum of Brett L.J. in *Weils* case where an Irish police officer, on receipt of a telegram from a private inquiry detective in New York had arrested a man at Queenstown on a charge of forgery in New York. The Lord Justice said, "I doubt whether there has been any irregularity whatever in these proceedings. I doubt much whether a policeman is not justified in arresting a man without a warrant on reasonable grounds of suspicion of his having done that which would be a felony if committed in this

country." It is impossible. And now that the dictum has been referred to, I feel bound to say that I trust no such arrest will ever be made in this Colony, even if it were on a telegram from the Viceroy, for an application for *habeas corpus* the Court would without any hesitation release the prisoner. Therefore I am of opinion that both on principle and on the plain construction of Sec. 7, if a fugitive criminal should happen to be in custody for some other offence and requisition is received for his extradition, a warrant is absolutely necessary under this Ordinance, and that another under the second part of Sec. 7, would be insufficient.

Then is it possible for this or any of the other defects in these proceedings to be cured by anything regular which may have subsequently happened? With regard to this *Weils* case was relied on. On the face of it that case has no application, for there a curative warrant had in fact been issued. The Court of Appeal seems to have been of opinion that either the Irish Magistrate's warrant for his apprehension, or the Bow Street warrant for his detention, cured the illegality of the arrest. "If he was wrongfully in custody and there was proper evidence to justify his apprehension, Sir James Ingham was justified in issuing a warrant for his detention." I must say that with all the greatest deference which every Judge owes to the very eminent Judges who formed the Court in that case, I am glad I have not to express an opinion whether an illegal arrest in an extradition case can be cured by subsequent regular proceedings, for here there was nothing curatively regular at all. That decision seems to contain in itself a warrant for illegalities which I do not think the law can ever countenance. There is no such maxim known to the law as that a wrong may be committed in order that right may be subsequently done. I allude of course to a wrong committed on our own soil, for with wrongs done in connection with extradition in another country our Courts could have nothing to do. Our law boasts that for every wrong committed within its purview there is a remedy. But in this case illegality is said to be condoned by subsequent legality, irregularity justified by subsequent regularity. I cannot understand the doctrine.

Extradition is the voluntary surrender by the State of the "right of asylum" in any special case under a treaty. This right is no ardent figure of speech; it is the consequence of the fundamental doctrine that all crime is local, that criminal laws are territorial, and that no country will enforce the criminal laws of any other country. The "right of asylum" means even more than this. It means that the fugitive is a free man, and is entitled to participate with subjects in so far as the text is not limited to subjects, in the liberties of the people; liberty, which were infringed by such action as was condoned in *Weils* case. To all this extradition forms an exception. The Legislature has taken the matter in hand, and has indicated the procedure which may and must be adopted to give effect to it. That procedure must be followed. I decline to subscribe to the doctrine, which is practically the argument forced upon the Crown in this case owing to the practice which has grown up in the Colony, that any procedure will do so long as the fugitive is caught, and so long as some regular step is taken during the proceedings at some time or other. The fugitive has a right then and there to come to the Courts to be set at liberty, and I do not understand how, because sometime must elapse before the matter can be fully gone into, that is to be looked upon as a period of grace during which irregularities and informalities may be put straight. But here there was nothing regular at all. There was no order made as required by section 7, and as indicated in the forms in the schedule, nothing more than the usual slip of paper directed to the Superintendent of the Jail. The undermentioned prisoner is required for re-examination at this Court. Remanded case No. 32. Defendant, In Kai-shing." This is absolutely the only document which was used after receipt of the Governor's order. But a little more examination reveals what actually took place. After the magistrate had issued his provisional warrant the pri-

soner was brought before him and remanded for a week, and then again remanded for a week, and then the order being received, the document I have just referred to was issued. I can find no justification in the Ordinance for this procedure, though the form of the actual warrant given in the schedule (which was not in fact used), seems to warrant it. But forms in schedules, for the very good reason that they are never quite so carefully drafted as they ought to be, are to be construed by the light of the Ordinance of which they form part. Section 8 does not require the fugitive to be brought up before the magistrate until the Governor's order is received. Of itself a remand warrant would not be such an order as the law requires, but apart from this an illegal remand warrant can have no such curative effect as is claimed for it in this case. At every point, therefore, I am of opinion that the procedure traced out by the Ordinance has not been complied with, and as I have said some of this procedure is not mere form, but depends on principle, I am therefore of opinion that the writ of *habeas corpus* should be made absolute and the prisoner discharged. We were invited to express our opinion on the facts of the case whether or not this crime which Lu Kai-shing said he will be tried for if he is extradited is or is not a political offence. We indicated to the learned Attorney-General that we did not desire him to proceed with this part of his argument, but would call on Sir Henry Berkeley to argue in favour of the contention of his client, should we think it necessary. I am not prepared to go further than this. And so far as the question whether or not there was sufficient evidence to justify the magistrate in committing the prisoner, I can only repeat what I said during the hearing; it would require a very strong case indeed for me to differ in the first place from the learned magistrate, and in the second place from my learned brother, who has already expressed his opinion on the point as well as on the political question. It was for that reason that here also we did not wish to hear the learned Attorney-General any further on that point.

I think this disposes of all the points which were raised in argument.

THE PUISNE JUDGE'S OPINION.

Mr. Justice Wis said:—Lu Kai-shing came before me in November last on a writ of *habeas corpus* and on hearing Counsel on both sides I discharged the rule. The case now comes before the Full Court, in one form as an appeal from my decision. I may state at once that I entirely agree with that decision on the facts and arguments as originally laid before me, but on the hearing before the Full Court a number of new points were taken and I have no doubt that if the case had been laid before me then as it was subsequently I should have discharged the man, and these subsequent proceedings would have been unnecessary.

The learned Chief Justice has gone fully into all the points for future guidance in similar cases, so I shall simply confine myself to one point, which seems to me to go to the root of the matter and entitles Lu Kai-shing to his discharge. That point is connected with section 749 of the Ordinance. Section 7 says that on receipt of the Governor's order the Magistrate shall issue his warrant, or if the fugitive criminal is already in custody, shall issue his order, a form of which is given. It is clear to me that the words "already in custody" refer to Section 8, and that therefore the Magistrate ought to have issued his order which he did not do. I do not agree with the argument that the words "already in custody" mean in custody on some other charge, for the Magistrate would have had to issue his warrant on the Governor's order. Again the warrant which the Magistrate did issue under Section 8 for some reason is called a provisional warrant and the word "provisional," if it has any meaning, must mean that something additional is required to perfect it, viz., the order, which is absent here, so the warrant was never perfected. I do not think that the remand orders of the Magistrate are equivalent to the orders referred to in Section 7 and therefore I do not think that the procedure laid down in the Ordinance has been followed; therefore, I think that the man is illegally detained. Also, I do not think that the original information was sufficient to justify a warrant.

With reference to the question of an antecedent engagement, I am still of opinion that the cases of Bouvier and Alice Woodhall are not on all fours with the present one, as they only dealt with the question of legal provision and not with a-raumgement or engagement see the judgment of Lord Coleridge (16 Cox C. C. p. 497). However, I think that it would be better if the engagement was obtained at an early date, for if the receipt of it is deferred to the last moment a man might be handed over by mistake without any such engagement and without any chance of applying to the Court. In any case so far as the Court is aware there is no such engagement in existence at present. I have already expressed my opinion on the question of political offence and also as to whether the Magistrate was justified in committing, and need not repeat it. It follows, therefore, that Lu Kai-shing is entitled to his discharge.

COSTS AGAINST THE CROWN.

Sir Henry Berkeley—I would ask that the rule absolute be made with costs.

The Chief Justice—I am afraid we cannot give costs.

Sir Henry Berkeley—In the Court below the action was dismissed with costs.

The Chief Justice—We considered the question of costs against the Crown in a recent case.

Sir Henry Berkeley—We are not asking for costs against the Crown but against the person detaining him in prison, or against the person in charge of Victoria Jail. No doubt the costs will be paid by the Crown for him.

The Chief Justice—Is there any authority? I should like to have some.

Sir Henry Berkeley—Yes there are a number of cases, and it is obviously unjust that the man should not get them when, as the Court has held, he has been illegally detained.

The Chief Justice—The order down below was against the applicant.

Sir Henry Berkeley—Certainly, and it was discharged with costs. I would refer your Lordships to 20, Queen's Bench Division, section 37. I am the appellant and ask for costs on the appeal and costs in the Court below where they were given against me.

The Chief Justice—We must look into the authorities.

The Attorney-General—I need scarcely say I am opposed to the application entirely. As a matter of fact, in the case which my learned friend cites, the Court in its discretion, refused costs.

The Court reserved its decision on the question.

Sir Henry Berkeley then asked their Lordships to order the prisoner to be forthwith discharged, and the Chief Justice informed him that he would be released as soon as possible.

EXTRADITION CASES.

NEW PROCEDURE.

As an outcome of the decision of the Full Court regarding extradition procedure, Mr. F. B. L. Bowley, Crown Solicitor, appeared before Mr. F. A. Hazland at the Police Court on February 26th to apply for the re-arrest of three Chinese on charges of the commission of the crime of armed robbery in China.

The first application was with regard to Tan Kwei Tee I who appeared before the Court on a charge of armed robbery on April 25th, 1905, in the Tsz Kwo shop at Lei Hoi, Shantung district, Kwongtung, China.

Mr. Bowley said his Worship would remember that the defendant was arrested under a provisional warrant which the Full Court had held to be defective, and the Governor's order issued on November 11th, 1907, requiring his Worship, to whom the order was addressed, to issue his warrant for the apprehension of the defendant. Mr. Bowley asked his Worship to issue the order under section 7, and also a warrant under the same section for the apprehension of Tan Kwei Tee I.

His Worship made an order in the terms of the application, and defendant was removed from the Court, re-arrested by Chief Detective Inspector Hanson and placed again before the Court on the charge before mentioned.

Defendant pleaded not guilty, and wished to know what he was arrested for.

His Worship—On the same charge.

Defendant—I was in Hongkong selling cigarettes all the time.

Mr. Bowley then put in the Governor's order, and Chief Detective Inspector Hanson was called, and proved the arrest of the prisoner under the warrant.

The case was remanded for a week.

A similar application on similar terms was granted in the case of Li Chung-ohan who was placed before the Court on a charge of armed robbery in the house of Ip Kam at Kan Piu in the Namhoi district, Kwongtung, China, on February 13th, 1907.

Defendant pleaded not guilty, remarking that he was never at the village mentioned, and had been at Shanghai for two years.

The next case was one in which Wong Nin-sui was charged with the commission of armed robbery in China, and Mr. G. E. Morrell (of Messrs. Goldring Barlow and Morrell) appeared for the prisoner.

Mr. Bowley informed his Worship that the defendant was arrested under a provisional warrant on the 9th October, and brought before his Worship or some other magistrate and remanded from time to time. On October 24th the Governor issued an order, as required by the Chinese Extradition Ordinance of 1839, empowering his Worship to issue a warrant for the apprehension of the defendant. At that time his Worship was of the opinion that as the man was in custody it was not necessary to issue a further warrant, and the man was brought before the Court in the usual way a remand prisoner was brought before the Court. He was tried, and Mr. Bowley believed the evidence was closed and the case remanded from time to time in order that the decision of the Full Court in the case of Lu Kai-shing might be known. In that case the Full Court decided yesterday that the provisional warrant in use in the Police Court for so many years was defective, and that the information on which it was based was also defective. The Court also decided that in every case, whether there had been an arrest before the Governor's order or not, the magistrate must carry out the provisions of section 7 and issue a warrant or order under that section. Mr. Bowley concluded by asking his Worship to issue an order and a warrant under section 7 of the Ordinance, so that the man might be brought before him forthwith and dealt with under the Extradition Ordinance. He asked that both documents be issued because, from a perusal of the judgment of the learned judges of the Full Court it was not quite clear whether in a case of this sort, when there was a doubt about the regularity of the arrest of the defendant, the order or the warrant was the proper document.

Mr. Morrell opposed the application, submitting that it was now too late for his Worship to do anything in Court. The section read, "On receipt . . . shall issue his warrant." His Worship received that order some four months ago, and nothing had been done. His Worship would find it was too late now on reading the judgment of the Full Court in Lu Kai-shing's case yesterday. Part of it read "The Legislature has taken the matter in hand, and has indicated the procedure which may and must be adopted to give effect to it. That procedure must be followed. I decline to subscribe to the doctrine, which is practically the argument forced upon the Crown in this case owing to the practice which has grown up in the Colony, that any procedure will do so long as the fugitive is caught, and so long as some regular step is taken during the proceedings at some time or other. The fugitive has a right then and there to come to the Court to be set at liberty, and I do not understand how, because some time must elapse before the matter can be fully gone into, that is to be looked upon as a period of grace during which irregularities and informalities may be put straight." That was exactly what his friend was asking his Worship to do. The proceedings in the present case, owing to a recent judgment, were absolutely irregular, and he submitted that the prisoner was entitled to be discharged. The information was bad, the warrant was held to be bad, and the Full Court had held that those irregularities could not be countenanced. He asked His Worship to refuse the application and discharge the prisoner.

Mr. Bowley said his friend was not quite correct in stating that the Full Court had held that the defects in the warrant and the information could not be cured. He asked his Worship to take the necessary steps to cure those defects in the proceedings. The order of the Governor, he took it, remained in force until it was carried out, and he asked the Court to carry out the Governor's order. It was very unfortunate that the defendant had been detained such a time in custody, but accidents would happen, and the Chief Justice pointed out in Court with regard to extradition proceedings that, if sufficient time were not taken, they would appear to be conducted with indecent haste.

His Worship—Even in Bow Street considerable time is taken with extradition proceedings. I am of opinion that I can make the order.

Mr. Morrell—Then the action must be tried all over again?

His Worship—Yes, there is no question about that.

Mr. Morrell—I shall appeal against it. I am entitled to ask your Worship to give judgment now.

His Worship—I am of opinion that I am entitled to issue a warrant.

Mr. Morrell—But your Worship heard the case right through, and reserved judgment.

His Worship—That is so, and I am of opinion that a prima facie case has been made out against the defendant.

Mr. Morrell—Then, if your Worship will convict him, I will know what to do. I will apply for a writ of *habeas corpus*. Otherwise we will be put to a lot of trouble and delayed again.

Mr. Bowley—Your Worship cannot give judgment on defective proceedings.

Mr. Morrell—Your Worship must give judgment; you heard the case and reserved judgment.

His Worship—But prior to my giving judgment I am told the warrant is bad, and the question is whether it can be remedied.

Mr. Morrell—Not at this period.

His Worship—Having practically finished the case, can I reopen it?

Mr. Bowley—I take it, your Worship, that the proceedings so far have become absolutely void and non-existent. There is nothing before your Worship to give a decision on. The evidence taken in this Court must be counted as nothing.

Mr. Morrell—That cannot be done, my client has been in jail month after month, and now the case is to be reopened. It is laid on him, and he is put to extra expense.

His Worship—If I deliver my judgment at once—

Mr. Morrell—Then I can apply for *habeas corpus*, which I am entitled to.

Mr. Bowley—If your Worship issues a warrant my friend can still apply for *habeas corpus*.

Mr. Morrell—I cannot go to the higher court until your Worship gives a decision.

His Worship—Between the reserving of my decision and now it has been held that the proceedings are null and void.

Mr. Morrell—Quite so, but then the decision should never have been reserved, if I may say so.

His Worship—What do you think of that Mr. Bowley?

Mr. Bowley—As I have already submitted, your Worship cannot give judgment on proceedings which are null and void. All you can do is dismiss that case and act on the Governor's order.

Mr. Morrell—He cannot dismiss it if a prima facie case has been made out, and your Worship has already held that a prima facie case was made out.

Mr. Bowley—I ask your Worship to issue the warrant.

Mr. Morrell—I'd ask your Worship before you do that to deliver judgment in this case.

His Worship—Of course this case is not quite the same as the others.

Mr. Bowley—It is similar to the cases in which your Worship issued warrants this afternoon.

Mr. Morrell—This was a case in which your Worship reserved judgment until after the decision in In Kai-shing's case. Until I get judgment I cannot apply for *habeas corpus*, and what your Worship has got to give judgment

on is whether the evidence shows a prima facie case as alleged.

Mr. Bowley—The decision, I take it, will be that the proceedings are irregular.

Mr. Morrell—Will your Worship take time to consider it?

His Worship—Can that be done?

Mr. Bowley—If your Worship will issue the warrant.

Mr. Morrell—I object to that. Why is he under arrest now?

His Worship—Because he was remanded until to-day.

Mr. Morrell—Your Worship has no power to remand him in police custody.

His Worship—I think, in the circumstances, I am entitled to make the order as I did in the two previous cases. Can you appeal except by *habeas corpus*?

Mr. Morrell—Not so far as I know; and I cannot do that until the case is tried all over again. It is unfair. Where there is a suspicion, the defendant should be given the benefit of the doubt.

Mr. Bowley—I think there is nothing to prevent my friend applying to the Supreme Court at once for *habeas corpus*.

Mr. Morrell—We have got nothing to appeal against.

Mr. Bowley—It is not the business of this Court to advise on that.

His Worship—I will make the order.

Mr. Morrell—In the meantime my client can walk out of the dock, I take it, and go where he likes.

There was now a little delay in the preparing of the warrant, and Mr. Morrell remarked—I don't know whether there is any reason why my client should wait, your Worship?

His Worship did not reply, but smiled broadly.

When the warrant was prepared his Worship directed Inspector Hanson to execute it, and when this had been done, Mr. Bowley informed the Court that the charge against the prisoner was the commission of the crime of armed robbery at Kwai Lung in the district of Kwok Lo, Waichow Prefecture, Kwongtung, on May 9th, 1906.

Defendant pleaded not guilty, the Governor's order was put in as an exhibit, and Chief Detective Inspector Hanson deposed to arresting the defendant in the precincts of the Court by virtue of the warrant and order.

Mr. Morrell—When you arrested the prisoner he was already in police custody?—Yes.

The further hearing was remanded for week.

CAPTAIN MACKENZIE'S DEATH.

At the Magistracy on February 21st before Mr. H. H. J. Gompertz, sitting as coroner, and Messrs. C. Roberts, H. E. Haynes and R. Dickson, jurors an inquiry was held into the circumstances connected with the death of Captain James Mackenzie.

The first witness was Dr. Macfarlane, who testified to making a postmortem examination of the body of deceased. Death was due to asphyxia, caused by drowning. Deceased was fully dressed, but his boots and hat were missing. In the opinion of witness, death had not occurred more than twelve hours before he saw the body.

Constable Aslett of the Dockyard police said the coxswain of the "Polar Star" called his attention to the fact that the body of an European was under the Naval yard jetty. Witness saw that the body was caught on the stays of the jetty, and immediately reported the matter to the police. He also drew his sergeant's attention to the fact that there was a pocket book floating a few feet away from the body. A boat was procured, and the pocket book was picked up. When the body was removed from the water witness noticed that the man had no boots on, and that both his eyes were bruised.

In reply to Mr. Gompertz, Inspector Kerr stated that the boots had not been found.

Replying to a juror, witness stated that deceased might have come down from Macdonnell Road and fallen into the water. There was no railing.

Dr. Macfarlane, recalled, said the discolouration of the eyes was due to asphyxia. They were not black as the result of a blow.

Mr. J. C. Logan stated that deceased had been living with him for about a fortnight before his death. On the morning of the 4th instant witness accompanied deceased to the office of Messrs. Butterfield and Swire. Afterwards they boarded a launch and two steamers, subsequently landing at Kowloon. Deceased had been recently appointed captain of the s.s. "Shantung." After landing at Kowloon witness and deceased attended the distribution of prizes at the pigeon show at the Kowloon Hotel, and it was there, between 5 and 5.30 p.m. that witness last saw Captain Mackenzie alive. Deceased was perfectly sober; he had not been drinking that day. He was very quiet, however, and appeared to be duller in spirits than witness had noticed for a long time.

In reply to Mr. Gompertz witness said he understood that the captain of the "Shantung" had advanced deceased \$50, and that \$21 had been paid to him on the same day by another person.

James Logan, a foreman boiler maker at the Kowloon Docks, said he knew deceased well, and last saw him alive on the afternoon of the 4th instant. Witness asked him to stay and dine with him at the Kowloon Hotel that day, but he refused, stating that he wanted to put his things on board. He also declined to have a drink. Deceased, who was a very quiet man, was perfectly sober when witness last saw him.

Police Sergeant Caygill deposed to examining the body of deceased for marks of violence. He found one wound over the left eye, but did not think it was a mark of violence. Witness found \$5.92 in silver and copper coins in deceased's right hand trouser pocket.

Captain T. R. Nicol stated that he loaned the deceased \$50 on the 4th inst., the latter telling him at the time that he had very little money.

Questioned by Mr. Gompertz, Inspector Kerr stated that thorough enquiries had been made, but neither deceased's boots nor hat could be found.

The verdict of the jury was "found drowned."

A CANTON STORY.

A story for the accuracy of which our correspondent cannot vouch, but which he declares is currently believed, is told about the present Viceroy. It appears that on Chinese New Year's Eve Viceroy Chang had his fur robe and jacket placed in the reception room so that he might wear them on the next day to receive officials and guests calling on him to offer New Year congratulations. On New Year's day, when he looked for them the valuable furs were missing. Instructions were immediately telephoned to all the police stations to search for the missing articles. It was not until a few days ago that a detective discovered the articles pledged for \$400 in a pawn-shop near the East Gate. It is said that a deputy of one of the stations paid the money out of his own pocket to redeem the furs and returned them to the Viceroy. The culprit was arrested shortly after the recovery of the stolen goods, and he turned out to be a servant who was recently discharged from a celebrated restaurant in the Walled City renowned for its pastry. The place has always been patronised by the officials whenever they give complimentary banquets to their superiors, a custom, by the way, well established in China. The discharged servant is a man exceptionally smart, and well versed in mandarin etiquette. He was usually sent to arrange banquets in the yamens; that is how he knew all the ins and outs there. On New Year's Eve he dressed himself like a mandarin and strolled right into the Viceroy's reception room where he found a pile of nice fur clothes lying on a chair. Seeing that nobody was there, he immediately divested himself of his own clothes, hid them underneath a large opium couch, donned the Viceregal furs, and calmly walked out of the Yamen right under the nose of the Viceroy's body guards. It is said he confessed this and added that he had spent part of the money in payment of debts and dropped the rest in a fantan house. He is now detained in prison pending instructions for the proper punishment to be meted out to him for the daring act.

COMMERCIAL.

SILK.

From Mr. F. C. Heffer's report, dated Shanghai, February 19th, 1908.—There is no change to report in the Home Markets. Raw Silk.—Since my last circular dated January 27th, no business has been done in white silk. Yellow Silks.—During the past week, Indian Buyers have operated freely in Mienchows, Kopuns and Mienyangs, about 450,500 bales being settled. Mienyangs are getting scarce, and holders demand high prices.

PIECE GOODS.

Messrs. Nool, Murray & Co.'s Piece Goods Report, dated Shanghai, February 20th, 1908, states:—The slightly lower exchange that has been ruling since our last was written has given buyers rather more confidence, and consequently more disposition to pay the prices holders of Manchester goods were asking. In many cases these prices show a remarkable advance and it is really extraordinary to see how elastic the market is. The country is evidently short of goods, and in spite of the many disadvantages that are to be met with as regards financial arrangements the dealers here seem pretty confident that the consumptive demand will be brisk. The increase in the off-take by the Yangtze Ports last year is decidedly encouraging, showing as it does a solid forward movement that has been lacking for years past and promises to still further develop. Nor can it be said that the increase in any one direction was at the expense of another, and therefore genuine progress is shown in spite of the falling off in other quarters. To-day is the general opening day for business in the country, and although a great part of the clearances so far made, and fresh spot transactions entered into, may have been in anticipation of an enhanced demand, it shows a good consumptive enquiry is expected, the only doubt being as to whether consumers can rise to the high prices now wanted after all the country has gone through in recent years. Fortunately there are no cheap goods expected to arrive for the next few months and supplies of staple makes are in fairly strong hands now. One good feature about the present situation is the cautious way in which the native banks are commencing operations, there being an evident determination not to encourage the starting of mushroom firms amongst the natives, as has been done so much in late years much to the detriment of the old established Hong. Another thing that is likely to curtail the growth of small firms here is the enormous increase in rentals for business premises, and other expenses for living. Retail shops in our main thoroughfares that have been occupied for years by some of the most prominent dealers are being given up simply for that reason, and there seems to be no hope for any abatement. Advice from the Outports are still of a very meagre description. There is no improvement yet in the Newchwang financial situation, hard coin being an unknown commodity, transfer notes being the order of the day and these are absolutely at the mercy of the native banks, who fix their own rate of exchange. Numerous failures of native hong and banks are reported to have taken place in Manchuria, which does not look very promising for the opening of trade. Tientsin is still a dead letter as far as this is concerned, the natives saying there is sufficient stock there already to go on with. There is some news published of the establishment of a service between Chefoo and Kuangchongtze, but without further information it is impossible to say of what benefit it will be to Foreign trade, if any. It is said that the prospects of a return of the old trade with Vladivostok are improving. There has been a good demand for Corea during the interval and several parcels of Grey and White goods have been booked for that market. Manchester is easier to deal with, and in the aggregate a considerable business must have gone through in the last week or two. The market is not at all regular, and although this month's shipment can be obtained April to June is more generally quoted. In some cases goods for earlier shipment have been offered immediately after an order for later shipment had been placed. That system of booking orders ahead while still holding goods in hand, or avail-

able for earlier shipment, is not quite consistent with strict business methods. Cotton is steadily declining in Liverpool, Mid. American being 6.16d. for spot and 5.69d. for "futures"—Egyptian, is also lower, 8½d. being to-day's telegram. The export of Plain Cottons for the first half of this month was 13,000,000 yards. It is reported that a steady business is being done in New York in light weight Shirtings for the China market. For standard goods prices are 15 per cent. over present values here. The latest quotations for Cotton in New York are 10.68 cents, 10.82 cents, and 10.54 cents for March, May and July option respectively. The Yarn market is fairly steady for Indian spinnings, notwithstanding some Importers have had to sell in order to take up exchange contracts. It is anticipated that with a little firmness prices will improve in the near future, in view of the diminishing stock and smallness of supplies coming forward. Cotton is firmer, the bulk of the purchases being for local Mills.

From Messrs. Ilbert & Co.'s weekly Report, dated Shanghai, February 20th, 1908:—There is distinctly more business doing this week principally for the River Ports and Korea; buyers for the Northern Ports are also making inquiries for goods and have made fair purchases where sellers have been willing to meet the demand; further advances are, however, difficult to obtain and as prices in the producing market are getting closer to value here holders are disposed to make sales under replacing cost for prompt clearance. The Korean demand is particularly welcome after the long period of stagnation in that market. There is still an absence of life in the Tientsin trade, but dealers are hopeful that more healthy conditions will be established in that market as the year progresses. Some forward business has been done in both American light weights and English shirting. There is little doubt that Lancashire has now an active competitor in America for the finer qualities of grey shirtings; within the last month orders have been placed in America for which Lancashire manufacturers have not had an opportunity of quoting, and this at a time when many looms in Lancashire are reported to be idle. Throughout the long period of good trade, manufacturers in Lancashire have been independent of demand from China which did not run on the style of makes suitable also for India; in the last few years American manufacturers have been cultivating the trade in finer goods and as the pure goods made in the States are in many cases preferred to the Lancashire makes, a portion of that trade has already virtually been transferred. As in the case of drills and sheetings, if Lancashire wants to retain its old hold on the China trade it will now be necessary to make goods in imitation of established American makes. Fancy goods are participating to a certain extent in the better inquiry, but prices are still unsatisfactory. Yarns are quiet. Bombay is a more willing seller, but sales are not easy to effect in quantity. A small business at full rates is reported in Japanese yarns, but dealers here are not disposed to take as much interest in this trade as formerly, seeing that Japanese importers are offering their yarns at nearly all the Outports and it is sold even in interior markets. Grey Shirtings. Inquiries from the country markets have come in fairly freely during the week and previous prices have been well maintained. T. cloths.—We hear of business in small quantities of Lady and Flower at Tls. 2.25, and Man and Flag at Tls. 2.22. Auction chips improved about 2½ candareens. Jeans.—Demand is evidently still unsatisfied and prices are steady to firm at the close. White Shirtings.—Pure finish cloths have been in good request for the Korean market during the interval, and the River Ports have also been inquiring to a moderate extent. Prices have advanced about 5 candareens all round. Drills. Prices for American goods show practically no change from those mentioned last week, but about 14,000 pieces have changed hands. Sheetings.—There is not yet sufficient demand about to influence prices to any extent and the market may be described as quite steady. Dyed and Fancy Cottons.—We are unable to report any change in the state of our market. Sales are difficult to effect and stocks still too heavy to permit of any material improvement in value, no private business has been reported. East Black Cotton Lastings were irregular as usual at auction, but the majority of chips went for lower rates. Worsted Italians are reported under Cock chop at Tls. 10.25, and Joss at Tls. 10.00. All Wollens were firm at the auctions. Cotton.—The local staple remains steady but quiet. Yarn.—The market for all Spinings is easy with no demand.

MISCELLANEOUS EXPORTS.

HANKOW, 14th Feb., 1908.—The prices quoted are for the net shipping weight excluding cost of packing for export:—

	Per picul
Cowhides, Best selected	Tls. 32.00
Do. Seconds	" 28.00
Buffalo hides, Best selected	" 22.50
Goatskins, untanned, chiefly white colour	" 40.00
Buffalo Horns, average 3 lbs. each	" —
White China Grass, Wuchang and/or Poochi	" 10.20
White China Grass, Sinahan and or Chayu ..	" —
Green China Grass, Szechuen	" 9.20
Jute	" —
White Vegetable Tallow, Kinchow	" 11.00
White Vegetable Tallow, Pingchow and/or Macheng	" —
White Vegetable Tallow, Mongyu	" —
Green Vegetable Tallow, Kiyu	" 12.80
Animal Tallow	" 10.80
Gallnuts, usual shape	" 15.50
Gallnuts, plum do.	" 17.50
Tobacco, Tingchow	" —
Tobacco, Wongkong	" —
Turneric	" —
Sesamum Seed	" 5.70
Sesamum Seed Oil	" —
Wood Oil	" 8.50
Tea Oil	" —

Messrs. Arnold, Karberg & Co.'s Fortnightly Produce Circular, dated Shanghai, 20th February, 1908, states:—Gallnuts.—Home offices report little interest in the article. Cowhides.—Good inquiry. Prices very firm. Feathers.—Little business doing. Cotton.—Tendency to take lower prices. A fair business with Europe is being done. Tallow.—Market quiet. Seeds.—A good business is being done. Strawbraid.—There have been various settlements of 7-ends Split for America, mostly of inferior qualities; and the demand for good fine grades is still strong, but there are no stocks. Europe is enquiring again for Laichow Mottled, but stocks are small, and quality poor. Wool.—Sheep's.—A few lots have arrived. America has shown more interest the past week. While ideas of sellers and buyers still differ, business will no doubt result ere long. Wood Oil.—A good demand. Price steady. Antimony.—Market very firm. Supplies small.

Per P. & O. steamer *Derantha*, sailed on 22nd February. For Gibraltar.—1 case silk piece goods, 1 case silk. For Milan.—10 bales raw silk. For Marseilles.—4 cases bird feathers. For London.—4 cases chinaware and blackwoodware, 5 cases silks, 50 bales waste silk, 2 cases opium dross, 1 case cigar.

SHARE REPORTS.

Messrs. J. P. Bisset & Co.'s Share Report for the week ending 20th February, 1908, states:—Business since our last has not been very active and there is not very much change in rates to report. Hongkong and Shanghai Banks.—The dividend having been paid, all shares now rank alike, but there was no business transacted during the week. The T. T. rate on London to-day is 2½. Insurance.—There is nothing to report. Shipping. Shanghai Tug & Lighter Co. Some shares have changed hands at Tls. 40 and Tls. 45 for the ordinary shares. The Preference still remain at Tls. 50 nominal. Docks & Wharves.—Some business has been done at from Tls. 83½ cash to Tls. 85 for March, closing slightly weak. Shanghai & Hongkew Wharves. No cash transactions are reported this week. For March sales have been made at Tls. 216 closing with sellers. Considerable business has been done for June and September ranging from Tls. 216 to Tls. 218. Sugars.—Nothing. Mining.—Some cash shares have changed hands at Tls. 16. Industrial.—In Cottons there is no business reported. Shanghai Gas Co. have suffered a considerable relapse, the market opening with cash sales at Tls. 112, the next rate obtainable for shares on offer being Tls. 105. This drop was caused by the publication of the dividend. The Market closes with buyers at Tls. 105. Shanghai Pulp & Paper Co. On the publication of the Report and Accounts the rate immediately dropped from Tls. 90 to Tls. 45. Some shares are wanted at this figure. Maatachappij, &c., in Langkats. Cash shares have been dealt in at Tls. 422½ and Tls. 420 and a fair business has been done for March at Tls. 430, Tls. 427½ and Tls. 425. At the close the Market is easy at these rates. Shanghai Sumatra Tobacco Co. Cash shares have been dealt in at Tls. 130 and there are further sellers. For March shares are on offer at Tls. 132½. Miscellaneous.—A good demand set in for Hall

and Holtz Shares and the rate has advanced to \$22½. S. Moutrie & Co. have been dealt in at \$40 and shares are wanted. Astor House Hotel Co. have improved to \$22½. Shanghai Horse Bazaars. Some shares have changed hands at Tls. 40 and there are further buyers. Shanghai Mutual Telephones are in demand at Tls. 52. Loans and Debentures.—Shanghai Municipal six per cents remain at Tls. 99. Shanghai Land six per cents have been dealt in at Tls. 98½.

HONGKONG, 28th February, 1908.—Although there has been a little more movement in the market during the week under review, the aggregate of business transacted shows no appreciable increase, holders of stocks still sitting on the fence in anticipation of higher rates, and buyers refusing to raise their limits, being incredulous of any immediate material rise in rates. In short the market remains *in statu quo ante* and without any special features to report. Exchange on London closes at ls. 10½d. T/T, and on Shanghai at 7½ T/T.

BANKS.—Hongkong & Shanghai have changed hands in small lots at \$700 the market closing with some small sellers at that rate. Nationals remain unchanged and without business.

MARINE INSURANCES.—Unions have been placed at 850, closing steady to firm at that rate. Cantons continue on offer at 242½, but we have no business to report. The Northern Insurances have not been dealt in locally, rates remaining unchanged.

FIRE INSURANCES.—The market has ruled neglected, and we have only small sales of Hongkongs at \$332½ to report.

SHIPPING.—Hongkong, Canton and Macaca have changed hands at 28½ ex the dividend of \$1½ paid on the 25th inst., the market closing quiet. Star Ferries continue in demand at quotations without any sales to report. We have no further changes or business to record under this heading, the remaining stocks having been entirely out of the market.

REFINERIES.—China Sugars have continued in request during the week, but we have heard of no sales, and at time of closing buyers at 114 rule the market. Luzons remain unchanged and without any business.

MINING.—Rauhs have ruled rather weaker, and after a few further small sales at 8, close with sellers at that rate. Charbonnages remain in demand at the advanced rate of 525, and a higher price would probably be paid. Langkats and Chinese Engineerings are without alteration or business.

DOCKS, WHARVES AND GODOWNS.—Hongkong and Whampoa Docks continue neglected, and are now quoted at 94 ex the dividend of \$4 paid on the 25th inst. Kowloon Wharves changed hands in fairly large quantities in the early part of the week at 56 for old and 54 for new. Later, however, on the declaration of a smaller dividend than was anticipated, i.e. \$1½, the rate fell with sales at 55 and 54 to 53. At the last rate, however, a small demand caused a recovery, and the market closes with buyers and no further sellers at 5455. Shanghai Docks have declined to 81, and Hongkew Wharves to 214.

LANDS, HOTELS AND BUILDINGS.—Hongkong Lands have been placed during the week at 101 and at 100½, the market closing quiet at the latter rate. Kowloon Lands have declined to 27 with sellers ex the dividend of \$1½ paid on the 26th inst. Hongkong Hotels continue on offer at 104 without inducing buyers. Humphreys have been placed at 10 and 10½, closing with buyers at the former rate.

COTTON MILLS.—With the exception of a fall in Ewos to 56, and in Hongkongs to 9, both closing with sellers, we have no changes to report.

MISCELLANEOUS.—China-Borneos have been done at the advanced rate of 11, China Providents at 9, Green Islands to 11½ at 11½. Peak Trams at 13, Ropes at 26, Millings at 150, Union Water Boats at 10, Watsons at 10 and Powells at 5. Watsons continue in demand at 10, and Ropes can be placed at 25½ at time of closing.

Quotations are as follows:—

COMPANY.	PAID UP.	QUOTATIONS.
Alhambra	Pas. 200	Nominal
Banks—		
Hongkong & S'hai	\$125	\$700, sellers London £78
National B. of China	£6	\$51
Bell's Asbestos E. A.	12s. 6d.	\$7½, buyers
China-Borneo Co.	\$12	\$11, sales & sel.
China Light & P. Co.	{ \$10 } { \$1 }	\$5, sales & buy.
China Provident	\$10	\$9, sellers
Cotton Mills—		
Ewo	Tls. 50	Tls. 56
Hongkong	\$10	\$9, sellers
International	Tls. 75	Tls. 55
Laou Kung Mow	Tls. 100	Tls. 75
Soychee	Tls. 500	Tls. 270
Dairy Farm	\$6	\$16½
Docks & Wharves—		
H. & K. Wharf & G.	\$50	{ \$54 } { \$52½ }
H. & W. Dock	\$50	\$90, x.d.
New Amoy Dock	\$6½	\$10
Shanghai Dock and Eng. Co., Ltd.	Tls. 100	Tls. 81
S'hai & H. Wharf	Tls. 100	Tls. 214
Fenwick & Co., Geo.	\$25	\$14, sellers
G. Island Cement	\$10	\$11½, sellers
Hongkong & C. Gas	£10	\$175
Hongkong Electric	\$10	\$14½, buyers
Hongkong Hotel Co.	\$50	\$104, sellers
Hongkong Ice Co.	\$25	\$240
H. K. Milling Co., Ltd.	\$100	\$150, sales
Hongkong Rope Co.	\$10	\$25½, buyers
Insurances—		
Canton	\$50	\$242½, sellers
China Fire	\$20	\$98, sellers
China Traders	\$25	\$91, buyers
Hongkong Fire	\$50	\$332½, sales
North China	£5	Tls. 85
Union	\$100	\$850, sales
Yangtze	\$60	{ \$147½ } { \$137½ }
Land and Buildings—		
H'kong Land Invest.	\$100	\$100½
Humphreys' Estate	\$10	\$10, buyers
Kowloon Land & B.	\$30	\$27, x.d., sellers
Shanghai Land	Tls. 50	Tls. 103
West Point Building	\$50	\$48, buyers
Mining—		
Charbonnages	Fcs. 250	\$525, buyers
Rauhs	18, 10	\$8, sellers
Peak Tramways	{ \$10 } { \$1 }	\$13, sales
Philippine Co.	\$10	\$6½, buyers
Refineries—		
China Sugar	\$100	\$114, buyers
Luzon Sugar	\$100	\$14, buyers
Steamship Companies—		
China and Manila	\$25	\$15, sellers
Douglas Steamship	\$50	\$40
H. Canton & M.	\$15	\$28½, x.d., sa. & sel.
Indo-China S. N. Co.	£5	{ \$40, sellers } { \$28, sellers }
Shell Transport Co.	£1	45½
Star Ferry	\$10	\$25, buyers
Do. New	\$5	\$12½, buyers
South China M. Post.	\$25	\$20
Steam Laundry Co.	\$5	\$6, sellers
Stores & Dispensaries—		
Campbell, M. & Co.	\$10	\$17
Powell & Co., Wm.	\$10	\$5, sales
Watkins	\$10	\$2½
Watson & Co., A. S.	\$10	\$10, buyers
Wiesmann Ltd.	\$100	\$165, sales
United Asbestos	\$4	\$10, buyers
Do. Founders	\$0	\$150, buyers
Union Waterboat Co.	\$10	\$10, sales & sel.

VERNON & SMYTH, Brokers.

EXCHANGE.

MONDAY, March 2nd

ON LONDON.—Telegraphic Transfer	1/10½
Bank Bills, on demand	1/10½
Bank Bills, at 30 days' sight	1/10½
Bank Bills at 4 months' sight	1/10½
Credits, at 4 months' sight	1/11½
Documentary Bills, 4 months' sight	1/11½

ON PARIS —
Bank Bills, on demand.....237½
Credits 4 months' sight243

ON GERMANY.—
On demand193

ON NEW YORK.—
Bank Bills, on demand45½
Credits, 60 days' sight47½

ON BOMBAY.—Telegraphic Transfer141½
Bank, on demand142

ON CALCUTTA.—Telegraphic Transfer141½
Bank on demand142

ON SHANGHAI.—Bank, at sight.....74½
Private, 30 days' sight75½

ON YOKOHAMA.—On demand92½

ON MANILA.—On demand92½

ON SINGAPORE.—On demand22½ p.c. pm.

ON BATAVIA.—On demand113½

ON HAIPHONG.—On demand6½ p.c. pm.

ON SAIGON.—On demand6 p.c. pm.

ON BANGKOK.—On demand80½

SOVEREIGNS, Bank's Buying Rate\$10.45

GOLD LEAF, 100 fine, per tael\$54.90

BAR SILVER, per oz25½

SUBSIDIARY COINS.

		per cent.
Chinese	20 cents pieces	\$3.18 discount,
"	10 " "	8.45 "
Hongkong	20 " "	7.70 "
"	10 " "	7.85 "

TONNAGE.

HONGKONG, 21st February.—There has been a good demand for tonnage from Saigon during the period under review. For Hongkong, 16 cents per picul was freely offered during the early part of this week, but owing to a fall of about 20 cents per picul in the price of rice here, charterers are now holding back, and not more than 15 cents is obtainable for medium sized carriers. For Philippines, several charters effected at 27/28 cents, and more tonnage is wanted. For North Coast Java, no demand. From Java to this, nothing doing. Coal freights are steady. From South Japan Coal Port to Hongkong, \$1.25 to \$1.30 per ton according to size; to Singapore, \$1.6½; to Canton, \$1.90 last; to Hongay, \$1.75. From Hongay to Canton, \$1.80 last; to Pulo Brani, \$3.25. The following are the settlements:—

Asot—British steamer, 2,786 tons, Moji or Kuchinotzu to Hongkong, \$1.25 per ton.

Tjilicong—Dutch steamer, 3,052 tons, Kuchinotzu to Hongay, \$1.75 per ton.

Fiume—German steamer, 878 tons, Wakamatsu to Canton, \$1.90 859 ton.

Tjilicong—Dutch steamer, 3,052 tons, Hongay to Pulo Brani, \$3.25 per ton.

Yalshing—British steamer, 1,424 tons, Hongay to Chinkiang, \$2.00 per ton.

Lydia—German steamer, 1,779 tons, Hongay to Canton, \$1.80 per ton.

Skramstad—Norwegian steamer, 800 tons Hongkong to Anping and Takao (Kerosine) 10 cents per case.

Fausang—British steamer, 1,410 tons, hence to Saigon and back, 17 cents per picul.

Ulv—Norwegian steamer, 884 tons, Saigon to Manila (cattle); \$6,500 lump sum.

Pronto—Norwegian steamer, 839 tons, Saigon to 1 port Philippines (25,000), 29 cents per picul.

Kjeld—Norwegian steamer, 910 tons, Saigon to 1 port Philippines (25,000), 27 cents per picul.

Fri—Norwegian steamer, 869 tons, Saigon to 1 port Philippines (25,000), 28 cents per picul.

Progress—German steamer, 799 tons, Saigon to 1 port Philippines, 28 cents per picul.

Dagny—Norwegian steamer, 884 tons, Saigon to Hongkong, 16 cents per picul.

Ragnar—Norwegian steamer, 1,220 tons, Saigon to 1 port North Coast Java, 24 cents per picul.

Hellas—German steamer, 1,539 tons, Saigon to Hongkong, 14 cents per picul.

Dagny—Norwegian steamer, 882 tons, Saigon to Hongkong, 15 cents per picul.

Taiwan—British steamer, 1,042 tons, Saigon to Hongkong, 15½ cents per picul.

Hilary—German steamer, 1,276 tons, Saigon to Hongkong, 15½ cents per picul.

Clara Jensen—German steamer, 1,108 tons, Saigon to Hongkong, 15½ cents per picul.

Fausang—British steamer, 1,410 tons, Saigon to Hongkong, 15½ cents per picul (recharter.)

Frithjof—Norwegian steamer, 891 tons, Saigon to Hongkong, 16 cents per picul.

Pheumpehl—British steamer, 1,005 tons, Saigon to Hongkong, 16 cents per picul.

Standard—Norwegian steamer, 894 tons, Saigon to Hongkong, 16 cents per picul.

SHIPPING.

ARRIVALS AND DEPARTURES SINCE LAST MAIL.

February—

ARRIVALS.

20, Esang, British str., from Wuhu.
 20, Huichow, British str., from Haiphong.
 21, Antenor, British str., from Shanghai.
 21, Austria, Austrian str., from Shanghai.
 21, Devanha, British str., from Shanghai.
 21, Flintshire, British str., from Yokohama.
 21, Glenfalloch, British str., from Singapore.
 21, Ningpo, British str., from Swatow.
 21, Sexta, German str., from Saigon.
 21, Tean, British str., from Manila.
 21, Telemachus, British str., from Shanghai.
 21, Telemachus, British str., from Saigon.
 21, Tjiliwong, Dutch str., from Moji.
 21, Victoria, Swedish str., from Pulo Lant.
 22, Chiyuen, Chinese str., from Shanghai.
 22, Indrani, British str., from Shanghai.
 22, Itsukushima Maru, Jap. str., from S'pore.
 22, J. Diederichsen, Ger. str., from Hoibow.
 21, Singan, British str., from Haiphong.
 23, Aki Maru, Japanese str., from Kobe.
 23, Asia, British str., from San Francisco.
 23, Cyclops, British str., from Tacoma.
 23, Haimun, British str., from Coast Ports.
 23, Kagoshima Maru, Jap. str., from Moji.
 23, Mandal, Norwegian str., from Saigon.
 23, Petronia, Russian str., from Moji.
 23, Signal, German str., from Haiphong.
 23, Solstad, Norwegian str., from Saigon.
 23, Spezia, German str., from Nagasaki.
 24, Dagny, Norwegian str., from Saigon.
 24, Hohenstaufen, Ger. str., from Hamburg.
 24, Hongkong, French str., from Haiphong.
 24, Knivsberg, German str., from Shanghai.
 24, Loongsang, British str., from Manila.
 24, Monmouthshire, Brit. str., from Singapore.
 24, Rubi, British str., from Manila.
 24, Tjikini, Dutch str., from Batavia.
 24, Yochow, British str., from Shanghai.
 24, Yousyama Maru, Jap. str., from Japan.
 25, Childar, Norwegian str., from Bangkok.
 25, Chowtai, German str., from Bangkok.
 25, Eastern, British str., from Kobe.
 25, Gregory Apcar, British str., from Moji.
 25, Hardinge, Brit. transport, from Calcutta.
 25, Landrat Scheff, Ger. str., from Saigon.
 25, Pakling, British str., from Singapore.
 25, Progress, Nor. str., from Sandakan.
 25, Rhenania, German str., from Shanghai.
 25, Satsuma, British str., from New York.
 25, Silvia, German str., from Wilhelmshafen.
 25, Tjipanas, Dutch str., from Java Ports.
 26, Arratoon Apcar, Brit. str., from Calcutta.
 26, Daijin Maru, Jap. str., from Tamsui.
 26, Haiching, British str., from Coast Ports.
 26, Halvard, Norwegian str., from Dalny.
 26, Hupeh, British str., from Haiphong.
 26, Kleist, German str., from Yokohama.
 26, Kowloon, German str., from Chinkiang.
 26, Kwangtah, Chinese str., from Shanghai.
 26, Luosok, German str., from Saigon.
 26, Lydia, German str., from Hongay.
 26, Mongolia, Am. str., from San Francisco.
 26, Nissin Maru, Jap. str., from Saigon.
 26, Phumphen, British str., from Saigon.
 26, Raj. bui, German str., from Bangkok.
 27, Benmoir, British str., from Singapore.
 27, Kiangping, Chi. str., from Chinkiang.
 27, Spir, Norwegian str., from Bangkok.
 27, Sungkiang, British str., from Iloilo.
 27, Theodor, Norwegian str., from Saigon.
 27, Wakamatsu Maru, Jap. str., from Moji.

February— DEPARTURES.

21, C. Diederichsen, Ger. str., for Hoibow.
 21, Fukushima Maru, Jap. str., for Swatow.
 21, Haitan, British str., for Coast Ports.
 21, Helene, German str., for Hoibow.
 21, Kanchow, British str., for Ningpo.
 21, Kum no Maru, Japanese str., for Manila.
 21, Laertes, British str., for Saigon.
 21, Nippon M., Jap. str., for San Francisco.
 22, Austria, Austrian str., for Singapore.
 22, Delhi, British str., for Shanghai.
 22, Devanha, British str., for Europe, &c.
 22, Locks, German str., for Bangkok.
 22, Tamba Maru, Japanese str., for Kobe.
 22, Telemachus, British str., for Singapore.
 22, Vancouver, British str., for Newcote.
 22, Yuenang, British str., for Manila.
 22, Zafiro, British str., for Manila.
 23, Chunsing, British str., for Saigon.
 23, Elgin, British str., for Otaru (Japan)

23, Flintshire, British str., for London.
 23, Glenfalloch, British str., for Amoy.
 23, Indrani, British str., for Manila.
 23, Joshin Maru, Japanese str., for Swatow.
 23, Kiangching, Chinese str., for Chinkiang.
 23, Ningpo, British str., for Shanghai.
 23, Triumph, German str., for Haiphong.
 23, Wingsang, British str., for Shanghai.
 24, Antiochus, British str., for Tacoma.
 24, Petronia, Russian str., for Singapore.
 24, Tjiliwong, Dutch str., for Batavia.
 35, Amara, British str., for Tsingtau.
 25, Amigo, German str., for Hoibow.
 25, Drufar, Norwegian str., for Hoibow.
 25, Fukura Maru, Jap. str., for Nagasaki.
 25, Haimun, British str., for Coast Ports.
 25, Hohenstaufen, Ger. str., for Shanghai.
 25, Kueichow, British str., for Tientsin.
 25, Meefoo, Chinese str., for Shanghai.
 25, Spezia, German str., for Singapore.
 25, Tean, British str., for Manila.
 26, Chipshing, British str., for Tientsin.
 26, Kagoshima M., Jap. str., for Singapore.
 26, J. Diederichsen, German str., for Pakhoi.
 26, Kaifong, British str., for Cebu.
 26, Kleist, German str., for Europe, &c.
 26, Kwongsang, British str., for Swatow.
 26, Monmouthshire, Brit. str., for Shanghai.
 26, Rhenania, German str., for Singapore.
 26, Signal, German str., for Swatow.
 26, Silvia, German str., for Tsingtau.
 26, Singan, British str., for Haiphong.
 26, Tjipanas, Dutch str., for Moji.
 27, Chinkiang, British str., for Swatow.
 27, Derwent, British str., for Saigon.
 27, Esang, British str., for Swatow.
 27, Knivsberg, German str., for Swatow.
 27, Lennox, British str., for Saigon.
 27, Pakling, British str., for Shanghai.
 27, Solstad, Norwegian str., for Saigon.
 27, Tjikini, Dutch str., for Yokohama.
 27, Yunnan, British str., for Shanghai.

PASSENGERS.

ARRIVED.

Per Progress, from Sandakan, Mr B. Bailey.
 Per Loongsung, from Manila, Mr Ernest Bell.
 Per Tjikini, from Batavia, Dr. Musohart, and Mr Thyssen.
 Per Telemachus, from Saigon, Dr. T. H. Hays and servant.
 Per Hupeh, from Haiphong, &c., Messrs Milago and Fearby.
 Per Kwangtah, from Shanghai, Mr and Mrs Bell and child, Mrs Chandler.
 Per Tean, from Manila, Messrs. F. Warren, Davis, and Lamoschinkof.
 Per Haimun, from Foochow, &c., Messrs. Cameron, Bowket, and Wundree.
 Per Chowtai, from Bangkok, &c., Messrs. Niedhardt, and Aekermann.
 Per Yochow, from Shanghai, Madame Fraiche, Messrs. Morette, J. M. Anderson, Lothead and child.
 Per Singan, from Haiphong, &c., Mr and Mrs Barbedette, Mr and Mrs Charbaux, and Mr Gaston Sepiere.
 Per Monmouthshire, from Singapore, Dr. Bernard O'Connor, Messrs. J. Sullivan, R. Lanagan and E. Wilson.
 Per Eastern, from Kobe, Mrs C. E. Mead, Misses Chubb, Ford, Huxham, and Martyn, Messrs. P. L. Spence, J. R. Bertram, J. F. Duff, W. Ganagher, and T. Merwin.
 Per Arratoon Apcar, from Calcutta, &c., Mr and Mrs W. M. Miller, Mr and Mrs Kerr, Mr and Mrs G. F. Hickson, Dr. Blanchard, Messrs. A. B. Aiken, L. Thompson, Grassick, J. N. Bevis, C. H. Brunner, and Henry Bode.
 Per Haiching, from Coast Ports, Mr and Mrs Huxson, Misses May Palmer, Phillips, Thorn, Johnstons, M. and C. Whitfield, Dr. Paton, Masters J. and Frank Whitfield, Messrs. Henry Humphreys, R. V. Shaw, and Manmer.
 Per Devanha, from Shanghai, for Hongkong, Mrs Spencer and infant, Capt. Scott, Messrs. Fastkathal Alter, L. G. Jolly, P. Nissin, R. S. Pratt, P. Gregg, F. St. Goar, von Kennitz, L. Greenwald, S. L. Ginter, W. Poryden, C. Stockhausen, and F. J. Abbott; for Singapore, Mr J. A. Delay; for Marseilles, Archdeacon Moule, Mrs Moule, and Rev. W. Crabtree; for London, Mrs and Miss Haysem, Miss Hait, Capt. W. S. Thomas, Messrs. J. E. Chubb, and D. Smith.

Per Asia, for Hongkong, from San Francisco, Mrs George French, and Mrs M. E. Hebbard; from Yokohama, Mr and Mrs John R. Cooke; from Manila, Mr and Mrs L. Knox, Mrs Chas. C. Boyde and child, Mrs Mulgrave, child and nurse, Miss Suter, Dr. Jose F. Quirino, Messrs. A. McKillop, Ygnacio Syypap, & F. C. Bonniac.

Per Mongolia, for Hongkong, from San Francisco, Mr and Mrs R. M. Corwine, Mr and Mrs D. J. Gutman, Mr and Mrs E. H. Nicholson, Mr and Mrs J. F. Russell and child, Rev. and Mrs T. Johnson, Mrs M. L. Garman, Mrs A. Martin, Mrs S. V. Parks, Mrs V. Scott, Misses C. Huff, J. Huff, and M. Huff, Judge A. Wilson, Messrs. A. Babington, J. M. W. Beandry, J. M. Browne, M. J. Cernik, P. Fennell, J. C. Hamilton, A. F. Harris, H. I. Heath, B. Laude, G. W. Gillette, J. T. Lee, E. N. McCrory, C. B. Robinson, B. G. Seone, J. M. Stanwood, jr., G. A. Stanton, S. Syke, and G. T. Sturtevant; from Honolulu, Mr and Mrs J. H. Parker, Mr and Mrs T. Saunders, Mr and Mrs Heinrich, and Miss C. M. Kelley; from Yokohama, Mr A. D. Page; from Kobe, Mr Kan Ichi Iba; from Shanghai, Mr and Mrs C. Parry, Mrs J. R. Kennedy, Miss L. I. Laughlin, Dr. G. E. Goode and servant, Messrs. O. Barbey and servant, C. H. Butler, Gen. P. Lammert, H. Playfair, and C. W. Rosenslock.

Per Hohenstaufen, from Hamburg, &c., for Hongkong, Mr and Mrs M. Medburg, Mr and Mrs Warren B. Crow, Mr and Mrs H. Heideberger, Mrs and Miss Major Klemmet, Mrs O. Pauli, Miss Paula Lomma, Capt. O. Köhler, Lieut. Du Jim, Messrs. C. Ramos, J. M. D'Oliveira, José Linz, and E. Züllich; for Shanghai, Mr and Mrs Hoffmann and 2 children, Mrs G. Kalmberg and baby, Mrs L. Fraats, Mrs E. Kaiser, Mrs F. Brehmer and child, Miss A. Lehmann, Miss G. Baschwitz, Capt. Gartner, and Mr F. Rogers; for Kobe, Mr and Mrs G. J. Melhuish, Miss L. Melhuish and child, Miss Dora Dodwell; for Yokohama, Mr and Mrs A. Selig, Mr and Mrs F. Waldheim, Mr and Mrs Massage de Lorraine, Mr and Miss E. Knauer, Misses J. F. Upton, C. Martin, and H. Martin, Prof. Dr. von Baels.

Per Kleist, for Hongkong, from Yokohama, Mr and Mrs G. Thouroude, Mrs Young and child; from Kobe, Messrs. A. Takeda, S. Ando, S. Hamada, Z. Fukunaga, T. Nishimura, and W. Samamoro; from Shanghai, Mrs A. Dinis, Mrs Grace Martin, Major F. A. Macfarlan, Messrs. J. Wilson, Herberts Peiser, E. Gutentag, J. H. d'Almeida, H. Ingenohl, R. B. Leviero, J. B. Desborough, Becker, and Harald Hansen; from Yokohama, for Port Said, Mr and Mrs von Riepenhausen; for Genoa, Messrs. C. P. Turner and family, and S. Jwavo; for Hamburg, Mr C. Helm; for London, Mrs C. Gibb, Mrs McCallum, and Mr Washio; from Kobe, for Singapore, Mr Y. Hiyohi; from Nagasaki, for Singapore, Mrs Onaka Kaku, Mrs Yso Morishita, Messrs. J. Norimatsu, and T. Sato; for Genoa, Mr and Mrs T. Mitsui, and Dr. K. de Zwaarn; from Shanghai, for Singapore, Mrs N. Matsuda, Messrs. G. Rust, and L. Y. Ginjooben; for Gibraltar, Mrs R. B. Levien, Messrs. Consul L. Heintze & J. Zisler; for Naples, Mr and Mrs Brown, and Mrs Watt Jones; for Genoa, Messrs. H. Heine, Ch. P. Kelly, Etienne, and Schwester A. Hiltmann; for Bremen, Mrs J. R. Reuter, and Mrs W. Brookmüller; for Hamburg, Mrs Crakan and children, Messrs. H. Habe, R. Klein, and Ernst Schäferling; for London, Mrs P. E. Westcott, Messrs. P. W. Reever, C. Wagstaff, J. H. Goby, A. H. Flohr, P. McQuillan, and Thomas Laugley.

DEPARTED.

Per Kleist, for Singapore, Mr and Mrs van der Woude, Mrs A. F. Bowen, Messrs. F. St. Goar, B. Cherry, T. Muschard, A. Dougherty, Sakokura, Okoto and party, Udena and party; for Naples, Messrs. J. Rothchild, and L. F. Allardt; for Genoa, Capt. Baltzer, Messrs. Rich Burgers, J. Kuhn, W. Matthiesen; for Gibraltar, Rev. S. Pava, Rev. D. Barriosabalgaitia, Right Rev. M. Fernandes, and Mr E. Freyvogel; for Bremen, Mr G. Bernheim; for Amsterdam, Messrs. E. Harding, and C. Sotillo; for London, Mr Hardmann.

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